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Southeast Asia Report



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AUSTRALIA

WEEKLY HITS U.S. WHEAT, RICE UNDERCUTTING IN YAR, PNG

North Richmond THE LAND in English 1 May 86 p 3

[Article by Philip Bate and Bruce Mills: "Cut-Price U.S. Sales to Yemen, PNG Fan World Grain War Fires"]

[Text]

THE United States this week attacked two traditional Australian markets for wheat and rice, raising again the chilling prospect of an all-out world trade war in farm products.

Australian Wheat Board officials were stunned when their tender to supply 50,000 tonnes of wheat to the Arab Republic of Yemen (North Yemen) — until now a traditional Australian market — was undercut \$20 a tonne by subsidised grain from the US.

Worse was to come when the giant Los Angeles-based Farmers Rice Co-operative, with the aid of the US Government's Export Enhancement Program (EEP), announced plans to sell cut-price rice to a PNG company, Pacific Rice Mills Pty Ltd, headed by a former PNG Government aide, Mr James Pikevel.

Up till now, Australia has held a virtual monopoly in PNG, shipping between 100,000 and 120,000 tonnes a year and the country has been Australia's largest single rice market.

But the new US deal could see more than 5000 tonnes of cheap US rice shipped to PNG every month.

The North Yemen wheat sale has caused serious embarrassment to the Prime Minister, Mr Hawke, who has just returned from talks with US President, Mr Reagan, claiming he had new assurances that subsidised US farm goods would not flow into traditional Australian markets.

Mr Hawke apparently also received new undertakings on the so-called Andriessen agreement — which keeps subsidised EC beef out of Asia — while in Brussels but the Federal Opposition said this new pledge may eventually prove as worthless as the US rural trade guarantees given to the Prime Minister.

The Shadow Primary Industry Minister, Mr Hunt, said the North Yemen sale had made a "real monkey" out of the Prime Minister.

"Despite repeated assurances to Mr Hawke and Trade Minister Dawkins, the US has subsidised wheat sales into an exclusive Middle East market not previously exploited by the EC," Mr Hunt said.

Mr Hunt said the US sale had further eroded the value of the Kerin rural aid package.

National Party leader, Mr Sinclair, said every major agricultural commodity was being affected by US action.

The Minister for Primary Industry, Mr Kerin, said the North Yemen sale was causing deep concern but said Australia was expected to maintain traditional levels of exports to North Yemen of between 300,000 and 400,000 tonnes a year. He said North Yemen had recently installed new flour making facilities and was now in a position to replace its flour imports — mainly from the EC — with extra wheat purchases.

Wheat Board chairman, Mr Clinton Condon, said Australian farmers stood to lose at least \$US10 million from the North Yemen sale which the

US had reportedly clinched with a \$US20 a tonne export subsidy.

The wheat sold was Western White category, the equivalent of Australian Standard White.

Previously, US subsidies had been used in Egypt where Australia is the number one supplier of wheat grain.

Reports now indicate the US has also sold 30,000 tonnes of soft red wheat with a \$25 a tonne subsidy to Egypt, as part of a targeted 355,000 tonnes of subsidised sales to Egypt, and a further 50,000 tonnes of wheat to another Australian market, Jordan, with a subsidy of \$24 a tonne.

Mr Condon severely criticised the US action saying North Yemen was a long-standing and regular purchaser of Australian wheat buying virtually 100 percent of its supplies from the Australian Wheat Board.

He said it was nonsense to pretend the US was undertaking such action to counter European competition.

"European wheat is not imported by North Yemen and was not a factor at the recent tender.

"The subsidy was specifically targeted to cut the Australian price by a couple of dollars and had no relation to the EC price," he said.

Mr Condon said this blatant and heavy-handed approach by the US in the international wheat market would exacerbate the critical financial state facing the Australian wheat industry.

"The Wheat Board will now have to be even more aggressive in the international market than it has been in the past," he said.

Grain Council of Australia research economist, Mr Ray Jeffrey, said while the US sale to North Yemen was bad news, it was also "inevitable".

Mr Jeffrey said the world grain markets were structurally imbalanced because of huge stockpiles in the US and Europe, and the only way this could be overcome was for stocks to

be quit and for production to come down.

He warned world prices would have fallen substantially and that the North Yemen sale was only the tip of the iceberg.

He said the US held wheat stocks of 40 to 50 million tonnes and with a 16 million tonne crop expected from the coming harvest, the only real hope for Australian farmers was a major crop failure in the Northern Hemisphere.

Mr Jeffery said Australian wheat was still favored in a number of key markets because of its high milling standards.

Meanwhile, the US rice sale to the PNG company, Pacific Rice, has caused a storm in the Riverina.

The Lorton-based Ricepromoters Co-operative Ltd is working flat out to block the flood of cheap US grain.

The Co-op owns the crop up until now - sole rice outlet in PNG, Rice Industries Pty Ltd of Australia, and will be seeking a strong Federal Government and diplomatic effort to maintain market share.

Co-op general manager, Mr Neil Donaldson, said the Australian industry would be devastated if the US grain was allowed to pour into PNG.

Australia underwrites the PNG economy to the tune of \$300 million/- year and Mr Donaldson said some pressure in this area could be an answer.

Returns to growers have fallen \$25 to \$30/tonne in recent weeks, and Mr Donaldson said the industry would now be applying for Government crop underwriting.

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CS0: 4200/1164

AUSTRALIA

EDITORIAL URGES CANBERRA TO CHANGE TIES TO ACCORD WITH U.S.

Sydney THE SYDNEY MORNING HERALD in English 5 May 86 p 12

[Editorial: "A New Australian Diplomatic Style?"]

[Text]

FEW WOULD deny that Canberra handled the sudden Indonesian crisis with unexpected subtlety. As Jakarta overreacted to the *Herald* article on President Soeharto, Mr Hayden was cool, determined to under-react. The immediate crisis may have passed, but a more sophisticated diplomatic effort — not merely crisis management — will be needed to overcome its damaging effects on military co-operation, the Timor Gap, and the old issue of access for Australian journalists. But if Indonesian hypersensitivity points to high-level conflicts in Jakarta about whether Mr Soeharto should or should not stand for re-election in 1988, the possibility of more friction between Indonesia and its neighbours, including Australia, cannot be dismissed.

With many South-East Asian nations starting similar transitions, Australia will need an increasingly informed and resilient diplomatic style. Of course, *savoir-faire* is not a commodity. But our strategic environment — South-East Asia, the Indian Ocean and the south-west Pacific — is becoming more volatile. France's presence can only become more controversial; the ANZUS crisis has produced new Pacific

island alignments; US fishing interests are a headache for US diplomats; a new Soviet presence implies a threat of strategic harassment, if not a quest for naval parity. Subtle changes in our region will inevitably test stock Australian assumptions about how likeable we are, whether we can afford the luxury of non-involvement, and our relations with sensitive regional powers, from indigenous Indonesia or New Zealand to France or the US.

Our relations with dozens of neighbouring States are complex enough, but they will become less manageable if we do not grasp changes occurring in the core of our foreign policy: alliance with the US. When Mr Lange puts his nuclear ships ban into statutory form in August, the US will abrogate its defence commitment to New Zealand on the ground that it has breached Article 2 of ANZUS, "continuous and effective self-help and mutual aid". By an exchange of letters, our alliance with the US will formally become bilateral, so long as New Zealand retains its nuclear ships ban.

This may not be startling news, but it coincides with a major change in the quality of our ties with the US. Australia's strategic importance to the US

has recently increased or become more salient. Washington realises that, despite deep affinities with New Zealand, our foreign policy is not isolationist; none of the uncertainty about the future of the US bases in the Philippines applies to Australia; and there is a new awareness that, in the words of one analyst, we host "America's most important defence satellite Earth stations". The new texture of the alliance gives Australia new regional responsibilities and new influence, but are our diplomatic efforts attuned to the new situation?

Twice recently, Australian diplomacy needlessly irritated the US on non-regional matters, US policy on Central America and the raids on Libya. If the US can subtly accept our differing regional priorities, such as our continuing defence co-operation with New Zealand, why cannot Australia concentrate its diplomacy on regional issues such as the South Pacific Nuclear-Free Zone, a vital issue for us, where the US attitude is yet to be clarified? Mr Hayden rightly wants a new maturity in our relations with Jakarta; the time has perhaps come for a similar quest towards Washington DC.

AUSTRALIA

PAPER: TOKYO SUMMIT FAILS TO DELIVER ON CANBERRA INTERESTS

Sydney THE SYDNEY MORNING HERALD in English 7 May 86 p 11

[Article by Simon Holberton]

[Text]

TOKYO, Tuesday: Australia's hopes for agricultural trade issues to be included in a new round of trade negotiations received a setback today when the leaders of the West failed to include agricultural trade in their economic declaration delivered at the end of the Tokyo economic summit meeting.

Also, the meeting of seven top world leaders failed to agree on a specific timing for a new round of trade talks to be held under the auspices of the General Agreement on Tariffs and Trade (GATT).

Although the leaders showed an appreciation of the harmful effects subsidised agricultural exports have on other countries, they shifted the issue from GATT to the Organisation of Economic Co-operation and Development (OECD) which is studying the effects of agricultural protectionism.

But in separate press conferences some heads of government said that agricultural trade would be on the agenda of a new round of GATT talks. The Canadian Prime Minister, Mr Mulroney, and the British Prime Minister, Mrs Thatcher, affirmed this, as did the secretary of the US Treasury, Mr James Baker, in a briefing last night.

Meanwhile in a new initiative prompted by Mr Baker, the major countries also agreed to increase economic co-ordination and co-operation for the stability of the world economy and to promote non-inflationary growth.

The major countries have agreed to monitor summit countries' economic performance from a number of standpoints, but it is unclear what actual policies will flow from this agreement.

The Hawke Government had hoped the meeting would endorse agriculture as a key issue for a new round of trade negotiations because of the rural crisis in Australia. Mr Hawke went to Washington, London and Brussels last month in an attempt to heighten the world's consciousness of the Australian farmer's and economy's plight.

Australia's farmers are unable to compete in world markets because of the large government subsidies given by major producers to their farmers.

The leaders of the United States, Japan, Britain, France, West Germany, Italy and Canada, together with the Secretary-General of the European Community concluded their three-day summit late this afternoon with the Tokyo Economic Declaration.

Although the heads of state or government supported the strengthening of the system and the functioning of GATT, they side-stepped the issue of agricultural trade and endorsed America's demands that trade in services, trade-related aspects of intellectual property rights and foreign direct investment should be included in a new GATT round.

On the timetable for a new

round of talks they said "we are fully committed to the preparatory process in the GATT with a view to the early launching of the new round of multilateral trade negotiations. We shall work at the September ministerial meeting to make decisive progress in this direction".

On agriculture the leaders noted with "concern" that a situation of global surpluses exists in some agricultural products. "This harms the economies of certain developing countries and is likely to aggravate the risk of wider protectionist pressures," they said.

"This is a problem which we all share and can be dealt with only in co-operation with each other."

"We all recognise the importance of agriculture to the well-being of rural communities, but we are agreed that, when there are surpluses, action is needed to redirect policies and adjust (the) structure of agricultural production in the light of world demand."

At a press conference after the reading of the economic declaration, Mrs Thatcher said "agriculture will have to be in GATT", but people would have to wait for the OECD's "expert assessment" first and then "come in behind it".

Mr Mulroney said that all the summit countries wanted agriculture discussed in GATT, but was unable to explain why it had not been referred to specifically in the statement.

AUSTRALIA

TOKYO SUMMIT PRAISED ON CURRENCY COORDINATION

Sydney THE AUSTRALIAN in English 8 May 86 p 12

[Editorial: "Currency Co-operation"]

[Text]

THE decisions taken by the seven most powerful democracies at the Tokyo summit have paved the way for a new economic order. Behind the noise that summits usually generate for domestic political consumption, there is already evidence of co-operation.

Unlike the pious hopes of the Williamsburg summit in 1983, which subsequently withered on the vine, the Tokyo summit has formalised what has been happening since September last year, when the central banks agreed for the first time to co-ordinate their intervention in currency markets to reduce the value of the United States dollar. Their outstanding success in pulling the US dollar down some 20 per cent against the Japanese yen since then has enabled the seven countries at the Tokyo summit to bury their political differences for a well-needed economic reform. The obvious political achievements have hidden the painstaking, unpublicised achievements that have been built on

the economic front.

While the details of how the seven nations will co-ordinate in practice remain shrouded in secrecy, it is easy to be sceptical.

The facts are otherwise, however. The respective central banks have already proved they can work together and the seven summit countries are pursuing very similar economic policies. When they are on the same track anyway, co-operation is hardly difficult.

The risk is not that the summit's declaration will not be fulfilled, but that it will become carte blanche for excessive interference in the market by the world's central banks to achieve political aims.

At least the summit has recognised that the fluctuations in world currencies have not been caused by any fault in the market, but by a combination of a grotesquely large budget deficit in the US and a closed market in Japan. Although no one was named, there is no doubt at whom the summit communiqué's call for new trade talks and a reduction in Budget

deficits were aimed.

Fortunately, the summit nations have resisted the temptation to look at the symptoms rather than the cause - fluctuating currencies rather than budget deficits and trade impediments. The checklist that the summit set for periodic review by the so-called Group of Seven (G7) amounts to a detailed surveillance by their peers of each member's economic policies.

No longer will one central bank be able to act alone, in secret, to change its country's exchange rate when its government is pursuing the wrong economic policies.

The discipline that the summit has imposed on its members cannot be under-estimated. Already there is evidence that exchange rates have stabilised simply on the threat of central bank intervention. The fact that the G-7 must now address its domestic economic problems to the satisfaction of its peers will ultimately give international currency markets more, not less, freedom.

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AUSTRALIA

EC MEAT BAN PROMPTS CANBERRA, LONDON CONCERN

Sydney THE SYDNEY MORNING HERALD in English 3 May 86 p 14

[Text]

An eminent British scientist has warned that a recent European Community decision to ban the import of meat from hormone-treated cattle may jeopardise Australian meat sales to the Middle East and Asia.

Professor Eric Lamming, of the Department of Physiology and Environmental Science of the University of Nottingham, said yesterday the decision by the EC was based on purely political grounds and not on available scientific evidence.

The danger was that countries importing Australian beef may conclude that the decision was made on safety grounds.

Britain has opposed the ban and is challenging the decision in the courts, he said.

Professor Lamming headed an exhaustive study commissioned by the EC in 1980 into growth promoters.

Involving 22 scientists from 10

European countries over a five-year period, the study found no evidence that the continued use of the hormone treatment - as used in Australia and her major beef trading partners, the US, Canada and Japan - endangered human health.

"There are no scientific grounds for a ban on either natural or synthetic growth promoters," Professor Lamming said. "I never thought scientific evidence would be disregarded in favour of consumer pressure."

The decision was largely due to external pressure from environmental groups and concern about overproduction, he said.

The European Parliament debated the issue because "the Green Party in Germany and certain other environmental groups were getting rather excited".

"They [Green Party] were forcing the European MPs to

come to some conclusion."

The real reason behind the decision was pressure from European countries concerned over the "mountain of beef" which costs approximately eight EC Units (financial unit for the European Community) to collect and store and which was being sold to the Soviet Union for 1.25 EC Units, he said.

Although the EC represents only 1.5 per cent of Australia's total beef production, Professor Lamming said the decision - against scientific argument - sets a dangerous precedent as other rural products could also be banned by those not needing them.

Anabolic steroids have been used in Australia since the 1950s to boost feed conversion efficiency and increase growth rates in cattle and are conservatively worth more than \$60 million-a-year to local producers.

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CSO: 4200/1164

AUSTRALIA

CHINA COOLS ON JOINT STEEL PRODUCTION PLAN

Sydney THE SYDNEY MORNING HERALD in English 3 May 86 p 15

[Article by Mary-Louise O'Callaghan]

[Text]

IT SEEMED like a good idea at the time. It still is, except that little has happened. On one hand there was China: a billion hungry consumers, rising incomes and a growing demand for products like steel.

On the other hand was Australia, struggling to adjust to the downturn in the international steel market, with at least one giant steel plant lying idle.

As Bob Hawke flew to Peking just over two years ago on his first trip as Prime Minister, he thought he'd found an answer to both countries' problems: an "enmeshment" of China's present and potential demand with Australia's idle capacity.

The idea was a good one but Mr Hawke was not prepared to call it just an idea. Instead, he made specific reference to the restarting of BHP's Kwinana blast furnace as the centrepiece of the enmeshment. He also talked about the possibility of China investing in Australia's primary resources, particularly iron ore — in fact discussions were already well underway between Chinese authorities and several Australian companies before Mr Hawke raised the matter.

The Prime Minister's press conference the day he unveiled his Grand Steel Plan was a consummate Hawke performance. Once all the media was in place, a serious, confident Prime Minister spoke to the cameras of "a development of very major importance. It is of great potential benefit to our country and to China".

In a briefing afterwards the upbeat mood continued as the Prime Minister's economic adviser and principal architect of the plan, Rosa Garnaut — now Australia's Ambassador to Peking — spoke of a "doubling of Australia's capacity by the turn of the century".

The Prime Minister is returning to Peking this month, two years and two months after the birth of the Grand Steel Plan. Details of the trip have not been released but it is believed that he will meet China's leader, Deng Xiaoping, as well as officials of China's Ministry for Metallurgy and investment corporations. It will be difficult for Mr Hawke to reconcile his initial hard sell of the enmeshment plan with the reality that two years of negotiations between China and Australian companies have not resulted in any major new commercial deals.

Within a few days of the China steel announcement it was evident that while Mr Hawke's plans had potential, they were not yet a reality.

The first response from BHP's chief executive, Mr Brian Loton, was that it was "extremely unlikely that anyone would make a major investment to supply the Chinese market". Mr Loton's comments were made with the history of Kwinana in mind: the plant was wound down in 1981 when China stopped buying pig iron.

There has been some resentment from BHP that the Prime Minister presumed that he had found a commercial proposition that they had missed. In fact, BHP insists that if it was commercially viable

to reopen Kwinana on the basis of Chinese demand, the company would have done so already.

While the Chinese have agreed in principle to buy Kwinana's entire output for at least 10 years they are reluctant to commit themselves to a price much above current world prices of \$120 a tonne. It is estimated that BHP needs a guarantee of at least \$140 a tonne if it is going to cover restarting costs. The General Manager of BHP's Steel Finance Division, Mr Alan Castleman, confirmed this week that discussions were still foundering on price.

Earlier this year Australia's Ambassador to Peking provided the first official confirmation that the Kwinana negotiations were "on hold".

"A change in international market conditions would be the trigger for further movement on Kwinana ... But the international market is an uncertain thing and we cannot know when these conditions will turn," Mr Garnaut told the *Herald's* correspondent in Peking.

A more surprising development in the wake of the steel plan has been the failure of Hamersley to finalise the negotiations with China on the Mount Channar iron ore mine.

A joint feasibility study of the Channar mine was completed

some time ago and expectations within the industry and government were that the relatively straightforward deal would have been sealed last year.

The deal will be China's first major resource investment in a foreign country and the Chinese Government appears to have cooled from its initial enthusiasm as it faces a growing trade deficit of almost \$US14 billion (\$A20 billion) and problems emerging in the domestic economy.

A spokesman for Hamersley said this week that negotiations are continuing but there were concerns on both sides that with such a long-term deal - at least 20 years - all the details should be ironed out before any final agreement is signed.

While Australia's iron ore and steel exports to China have grown steadily since Mr Hawke's visit, the only real result that can be attributed to the steel plan is a large amount of free advice for China on how to tackle the major problems of their steel sector following an intensive investigation of the Chinese steel industry by a team of Australian experts.

But there has been no Chinese commitment in return to a preference for Australia and Australian companies over the other contenders for the China steel market: Japan, Brazil, Canada and the United States.

This has been underscored recently by new negotiations between Peking and Brazil on two projects mirroring both the Kwinana proposal and the Mount Channar iron ore mine.

AUSTRALIA

RIGHT-WING GROUP CLAIMS LINKS TO SOUTH AFRICA

Johannesburg SUNDAY TIMES in English 8 Jun 86 p 3

[Article by Nic Van Oudtshoorn]

[Text]

POLICE are investigating possible criminal charges against a secret, extremist Australian rightwing organisation which claims to have direct links with the Afrikaner Weerstandsbeweging (AWB).

The organisation, known as the South African Defence Campaign of Australia (Sadca), claimed responsibility this week for a recent burglary at the Australian headquarters of Swapo.

Police are investigating the burglary, as well as possible links between Sadca and attacks on an African restaurant in Sydney this week, a recent fire at the South African Liberation Centre in Canberra and several fire-bombings of properties belonging to anti-apartheid activists.

Aims

Documents stolen during the break-in at the Swapo offices were passed, among others, to another rightwing group, Direct Action, which opposes Asian immigration to Australia.

Direct Action, which functions in the open and is trying

to gain political acceptance in Australia, confirmed this week that it had received Swapo documents from Sadca.

Direct Action's Sydney spokesman, Mr Mark Ferguson, said his organisation had no direct links with Sadca, but sympathised with it and its aims.

'Vermin'

He confirmed that several members of Sadca with whom he had been in contact had been born in South Africa.

They claimed Sadca had direct links with Eugene Terre Blanche and the AWB.

Sadca issues regular newsletters, mailed in Sydney, which say its aim is to prevent "the integration of races (which) will lead to the extinction of white civilisation in South Africa".

The newsletters brand anti-apartheid activists in Australia as "murderous vermin" and claim that one of the most prominent among them uses fund-raising gatherings as a pretext "to meet impressionable young white

girls to satiate his needs which are a little on the bestial side".

One cartoon shows a black man repaying a white benefactor for the aid he has received by shooting and then eating the white man.

Graffiti

This week a new African restaurant in Sydney was vandalised twice before it could open for business, causing damage of around R4 000.

First bricks were hurled through a map of Africa painted on the window of "a Afrika" restaurant.

Two days later, the windows were again smashed and the walls painted with Afrikaner graffiti saying, among other things: "We are going to kill you, you black scum."

Police believe a fire which gutted the South African Liberation Centre in Canberra a few weeks ago was politically motivated.

Last year, the Sydney suburban home of anti-apartheid activist John Brink was fire-bombed.

Mr Brink was involved with the African activities of the aid agency, Community Aid Abroad.

/13104

CSO: 5600/4360

AUSTRALIA

FURTHER DETAILS ON ANTINUCLEAR BILL BEFORE PARLIAMENT

Sydney THE AUSTRALIAN in English 7 May 86 p 7

[Article by Ross Peake]

[Text]

THE Federal Government is about to introduce legislation banning the testing and storage of nuclear weapons in Australia.

The Minister for Foreign Affairs, Mr Hayden, told the ALP Caucus yesterday that he hoped to have the Bill ready before Parliament rose next month.

It would implement the South Pacific nuclear-free zone and would ban the dumping of radioactive waste in Australia, or in seas it controls.

It would not affect the passage of nuclear-armed or powered ships.

The planned legislation follows disquiet in Caucus over the Government's rejection last year of six anti-nuclear Bills proposed by the Australian Democrats.

After Cabinet vetoed them Caucus also rejected them but then voted unanimously to establish a committee to consider legislation on the issue.

Caucus members were concerned at the apparent pragmatic rejection of the Democrats' Bills, especially in the light of strong support for anti-nuclear candidates in the last federal election.

The committee met only twice, the last time about two months ago, and Caucus sources expressed delight and surprise at Mr Hayden's commitment.

In the second newsletter of the group, Labor Parliamentarians for a Nuclear Free Aus-

tralia, left-wing backbencher Mr Robert Tickner (NSW) said the group believed such legislation was "vitality important to maintain the integrity of the Labor Government on nuclear issues".

He said: "We will be doing all in our power to convince the Government to act."

The nuclear-free zone was endorsed at the South Pacific forum last August and nine countries in the region have now signed it.

Government sources said Mr Hayden's move to introduce the legislation was partly in response to the strong feeling in Caucus for anti-nuclear legislation.

The Democrats' Bills were in line with ALP policy in three areas:

OPPOSITION to the staging of nuclear weapons in Australia.

OPPOSITION to the States carrying on a nuclear power industry, which could be achieved by a prohibition on the importation of nuclear hardware.

OPPOSITION to the manufacture, testing and permanent stationing of nuclear weapons in Australia.

Model

In Caucus, Senator Bolkus (SA) asked the Prime Minister, Mr Hawke, about progress on the legislation.

Mr Hawke said he had had discussions with Mr Hayden and further talks were planned.

Mr Hayden, in response to a question from Senator McIntosh (WA), said the legislation should be drafted and ready for introduction in this sitting of Parliament, scheduled to end on June 5.

The committee established by Caucus, which consists of three ministers and six backbenchers, is likely to be consulted on the final draft of the legislation before it goes to Parliament.

Caucus sources said that although the possibility of the presence of nuclear weapons in Australia was remote, the legislation would serve as a model for other countries.

/9274

CSO: 4200/1164

17 July 1986

AUSTRALIA

FARMERS END MILITANT STAGE, SEEK URBAN SUPPORT

Sydney THE SYDNEY MORNING HERALD in English 8 May 86 p 7

[Article by Greg Roberts]

[Text]

Farming leaders have discarded militant direct action and will concentrate on building up support among city-dwellers this year.

The National Farmers' Federation and the NSW Livestock and Grain Producers' Association (LGPA) have persuaded their more militant members that disruptive protests risk losing hard-won public sympathy.

The groups are aware that in recent polls more than two-thirds of city people supported special financial assistance for farmers.

They are also increasingly aware that demands for far-reaching changes to the Federal Government's monetary and industrial relations policies will almost certainly not be met.

The Government's \$150 million rural assistance package was roundly condemned by farmers when announced three weeks ago, but many farmers have accepted that there is little public support for more assistance at a time of tight budgetary restraint.

A week after the package was presented, *The Land* newspaper said: "A thorough reading of [the package] reveals that [the Minister for Primary Industry] Mr Kerin has put a huge effort into tackling farmers' prob-

lems."

The president of the LGPA, Mr Michael Tooth, said: "The package does, for the first time ever with any Federal Government, attempt to address some of the fundamental problems facing agriculture."

These include the replacement of tariffs on farm machinery with bounties, a royal commission into grain handling and transport, and significant marketing initiatives.

Although much more needs to be done, Mr Tooth said, farmers will avoid militancy.

"The last thing we want to do is to become another BLF. While we will continue to achieve change we don't want to be seen as being greedy. We want to avoid the whingeing cocky syndrome."

So the proposed blockade of Canberra has been dropped, and farmers will not block railway lines to stop wheat exports.

The LGPA has issued a *Guide to Direct Action and Lobbying*. The cover shows a defiant clenched fist thrust from the ground, but the activities recommended are very much low-key.

"Oiling the wheels of government requires a smooth, professional approach," it says. "Direct action - particularly radical protest action -

at the wrong time is like throwing sand into the cogs of Canberra."

The LGPA, at a council meeting last week, called on farmers to target 96 shopping centres in the Sydney area, talk to shoppers, set up stalls and distribute literature.

The NFF is considering 18 protest activities, none of which is expected to inconvenience the public.

The days of farmer protest rallies may be over. The NFF president, Mr Ian McLachlan, says: "I think we've just rallied ourselves out. I don't believe that further rallies will achieve much, and we'll be looking at other methods to get our message across."

But he added: "To say that we don't support militancy is not to say that there is any less resolve to achieve change."

The Federal Government appears to have accepted warnings that up to 7 per cent of all farmers may have to leave farming because of low world commodity prices and reduced demands for exports.

Most of the funds provided under the Rural Adjustment Scheme will be directed towards farmers who could most readily regain profitability with an improvement in the world trading position.

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CSO: 4200/1164

AUSTRALIA

EDITORIAL ON LESSONS OF BLF DEREGISTRATION

Melbourne THE AGE in English 5 May 86 p 13

[Editorial: "Ending the BLF's Reign of Terror"]

[Text]

THE carve-up of the Builders' Laborers' Federation has proceeded with impressive speed and thoroughness. Barely two weeks after the legislation was passed deregistering the renegade union, the BLF, it appears to have been destroyed. Apart from a few isolated and brief stands of resistance on building sites, the union's membership has joined other designated building unions without a whimper. The once-mighty BLF has been reduced to a few state branches and a fraction of its former membership. The union which once denigrated the "bomes' courts" now seems to be spending every available cent and minute presenting new arguments to these same courts in the hope of finding a loophole of escape. It is gathering forms to say its members resigned under duress, forgetting the hundreds or thousands who joined only under duress. It is a pathetic, sad sight. But it contains valuable lessons for the rest of the union movement and the community at large.

One of the most important is that the much-maligned system of industrial law is able to deal with even the most recalcitrant organisations. Those unions, and regrettably there are a few, mainly in other industries, who would step into the BLF's shoes should recognise that their unruliness can be ended if they become too much of a nuisance. Equally, those politicians and commentators who advocate a thoroughly decentralised wage-fixing environment ought to recognise that the BLF would thrive in such a climate, like a plant in a hothouse. It was only the combined weight of the ACTU and other building unions, the state and federal governments, the employers (reluctantly) and the Arbitration Commission that was able to dispose of the union.

Had any one given way, the attack would have failed. The greatest plaudit for the strength of the system of industrial law was the BLF's resort to court appeals. The union recognised the authority of the courts, and the consequences of being denied registration under the Conciliation and Arbitration Act.

Another lesson, which could also be learned from the treatment of print unions in Britain, is that it is no good winning a victory which cannot be retained. If a union rubs employers' noses in the dirt often enough, the employers will find some way of crushing the union. Then all the gains will be lost. The BLF is not able to protect its members now. The building employers also should learn a lesson. It is that industrial peace can never be bought, it can only be put on layby. By appealing the BLF, the employers made the union stronger. Every deal reinforced the union's view that employers were divided and an easy picking. The employers created a monster, and the cost of feeding it was enormous.

With the BLF out of the way, it is not unreasonable to expect greater investment in building and construction and a more tranquil, stable industry. Given the strategic value of the construction industry to the rest of the economy, this will be a good result. But it is not the end of the problem. The BLF was allowed to prosper through the division and greed of employers, through inconsistency and weakness by governments and through sloppy administration of the relevant industrial law and awards. It could happen again unless employers, governments and tribunals learn the risks of bending the industrial rules. There is every reason to believe the opponents of the BLF

AUSTRALIA

DAILY CONCERNED OVER NEW FRENCH POLICY TOWARD NEW CALEDONIA

Melbourne THE AGE in English 5 May 86 p 13

[Editorial: "A Setback for New Caledonia"]

[Text]

FRANCE'S new right-wing Government has lost no time in announcing significant changes to the way in which New Caledonia is to be governed. A few details have still to be settled. But the outline is clear enough for those who have the territory's interests at heart to be seriously concerned about what the future may bring. The French Prime Minister, Mr Chirac, has never bothered to hide his belief that New Caledonia's French immigrants, who now outnumber the native Kanaks, must be humored whenever possible. Accordingly, the Minister for Overseas Territories, Mr Pons, has declared that the former Socialist administration's political reforms are to be scrapped. The regional councils, three of which are controlled by Kanaks, will relinquish most of their powers to the Governor, who is appointed from Paris. In effect, Mr Chirac and his colleagues are resuming direct

control. True, they are trying to soften the blow by providing nearly \$75 million in development aid, tax cuts and compensation for damage caused in recent bouts of political violence. They have also decided that a referendum on independence will be held within a year.

But the meaning of the Pons program is unmistakable. New Caledonia is to remain part of France whether the Kanaks (or at least the seven in 10 who desire independence) like it or not. Everyone familiar with the population figures knows that the pro-independence New Caledonians have virtually no chance of winning an early referendum, at least while most of the settlers are so adamantly opposed to any break with metropolitan France. The Socialists had hoped that, given time and encouragement, the Kanaks would be able to prepare themselves for autonomy and that enough French immigrants would mellow to allow a relatively easy passage towards independence within the French orbit. Their reasoning made excellent sense at the time. It still does. The new program takes New Caledonia right back to the dangerous days when extremism on both sides of the political spectrum was starting to emerge. Now the danger of violence has returned in a way that could easily wreck all hope of trust and reconciliation.

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CSO: 4200/1164

AUSTRALIA

DAILY VIEWS MURPHY CASE IMPACT ON GOVERNMENT IMAGE

Sydney THE SYDNEY MORNING HERALD in English 8 May 86 p 16

[Editorial: "The Murphy Decision"]

[Text]

AT LAST it seems Mr Hawke and his Caucus have begun to face their unhappy responsibility to judge Justice Murphy's fitness for office. The Government's decision to establish a judicial inquiry into Justice Murphy's behaviour is in belated recognition of the excruciatingly obvious: Justice Murphy cannot return to the Bench unaffected by the serious allegations still made about his behaviour; and Parliament (and, hence, the Government) cannot evade its responsibility to judge him.

Sadly, the Government had to be dragged to a recognition of its responsibility by the High Court. It was Justice Murphy's fellow judges, not the Government, who recognised the potential consequences of his return to the Bench. And it was the Chief Justice, Sir Harry Gibbs, who had to point out that the Government could not evade its responsibilities in the Murphy issue. As much as the Government might like it to, the High Court could not conduct a private inquiry and make a finding on Justice Murphy's conduct and, by extension, his fitness to be a High Court judge.

How could it? How, on the basis of Justice Murphy's writ-

ten response to written allegations, could the High Court make a judgment on Justice Murphy's right to be a judge? The judges are trying to preserve the reputation of their court, not destroy it. What the judges could do - and, it seems, felt bound to do - is decide, on the basis of what they knew or could glean, whether Justice Murphy should be kept off the Bench while the controversy surrounding him continued.

Hardly a substitute for a proper inquiry, but so long as it came to the right conclusion, good enough for the Government. "If the [High Court] decides that it has a continuing problem," Senator Evans told Parliament, "clearly it will be a matter for the Government and the Parliament to look at further... If the High Court decides at the end of the day that it does not have a problem, nor do we." How neat. If the judges threw Lionel Murphy back, the Government would do its duty. If they didn't, it wouldn't.

Not surprisingly, the High Court judges would not have a bar of it. Of course the judges were naive in allowing the Government and the public to believe they were prepared to sit in judgment of Justice

Murphy. But it is hardly to the credit of the Government that it seized so eagerly, on the chance to avoid its own, more thorough inquiry into the allegations against Justice Murphy.

Now that the Government has finally accepted the need for an inquiry into Justice Murphy's behaviour, it must agree to the widest terms of reference. For the sake of the High Court (and, as it happens, the Government), this inquiry and the consequent judgment by Parliament on Justice Murphy must bring the matter to an end. The inquiry, if it is to help resolve the issue, must cover more than just the Thomas allegations and the material in the Stewart Report. It must consider everything relevant, including Justice Murphy's unwillingness, in his second trial, to submit to cross-examination - a decision which is said to have been the basis for the Chief Justice's request to Justice Murphy to resign. The Government must not be tempted by those supporters of Justice Murphy who advocate the narrowest possible inquiry. If Justice Murphy's supporters want to protect him from a proper inquiry into his behaviour, they should persuade him to retire.

NEW ZEALAND

U.S. ENVOY REMARKS ON NUCLEAR POLICY 'TOLERANCE' REPORTED

Auckland THE NEW ZEALAND HERALD in English 9 May 86 p 3

[Text]

The United States Ambassador, Mr Paul Cleveland, last night indicated that the United States could tolerate New Zealand's anti-nuclear stance.

But he said that it would be tolerated only because the United States had greater interests in other parts of the world which it had to maintain, not because it liked the nuclear ship ban.

Speaking in a television news interview, Mr Cleveland also did not retreat from the United States position that, if draft legislation on the nuclear ship ban was passed, his country would fully review its security relationship with New Zealand.

But in what was interpreted as a further conciliatory statement, Mr Cleveland was less than antagonistic in his comments on the nuclear ship policy.

He was asked whether the two sets of strengthening bilateral relationships (between Australia and the United States, and between New Zealand and Australia) instead of the three-

party Anzus alliance, would compromise the interests of the West in the region.

"It certainly does not enhance them," he said.

"A two-sided triangle is less desirable than a three-sided one."

But the United States would have to tolerate the ban, he said.

"We are not going to do anything to try to break that down, obviously. It is not a desirable thing but we will tolerate it."

Mr Cleveland said there was no simple answer to the question of whether New Zealand could remain nuclear free with the United States and its allies still securing their fundamental security interests in this part of the world.

"We haven't got a simple answer yet — discussions are still going on."

Mr Cleveland repeated his earlier statement of hope that some way would be found to accommodate the interests and policies of both the United States and New Zealand.

A Wellington political scientist, Dr Rod Alley, said Mr Cleveland's conciliatory gesture could indicate a

new American awareness that public opinion in New Zealand and abroad was now running against nuclear weapons.

He said the United States would have noticed that submissions on the Government's anti-nuclear legislation were running strongly in favour of strengthening it, rather than backing off.

Overseas, the Soviet nuclear power station disaster had hardened attitudes against nuclear power, and the United States had found itself isolated in its attack on Libya.

"One thing about Mr Cleveland is that he is a thorough professional," Dr Alley said.

"I am sure he will make a very good job reporting what he has heard."

Dr Alley said the Americans had said all along that New Zealand's policy had made Anzus militarily inoperative. The next step would depend on discussions between the United States and Australia at a meeting of the Anzus Council scheduled for San Francisco in August.

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CSO: 4200/1163

17 July 1986

NEW ZEALAND

EDITORIAL ON 'HYPROCRISY' OF ALLIED TERRORISM POLICY

Wellington THE EVENING POST in English 8 May 86 p 4

[Editorial: "Slippery Ground for Moral Stand"]

[Text]

ANY KIWI SMUGINESS about Britain's Prime Minister, Mrs Thatcher, being caught embracing hypocrisy at the Tokyo summit should be short-lived.

News reports have it that Mrs Thatcher's lighthearted mood disappeared when asked whether the summit's condemnation of state-sponsored terrorism and singling out of Libya was hypocritical, having regard to French military sabotage against the Greenpeace ship Rainbow Warrior in New Zealand.

Mrs Thatcher responded that the two were totally different and she then claimed that there was no point in wasting time on that question.

Anyone who reads the news knows that France is among the seven nations party to the Tokyo summit declaration.

Hypocrisy is involved, as New Zealanders would be quick to point out. But national interests, as perceived by the big powers, overwhelm that embarrassing problem.

New Zealanders are entitled to be morally outraged about a friendly nation and war-time ally sinking a ship in Auckland harbour and taking a life.

Our stand against what the

French Government has accepted responsibility for, and all the attendant embarrassing publicity for France, is as it should be, so far as New Zealanders are concerned. Terrorism should be condemned, but how can our friends and allies ignore what was done against New Zealand? They can ignore it very easily New Zealanders are learning.

New Zealand's growing preparedness to take an independent stand on various issues may be exhilarating and worthy but there is a price to pay.

For instance, some of us see it to be in New Zealand's interest to make a stand against nuclear madness. However right that stand may be, some other governments are likely to see it as a dangerous pretension working against the effectiveness of the Western Alliance because others may copy, and thus it is working against their own national interests.

Preventing a repetition of defeat and occupation drives France to develop and control her own nuclear deterrent. Similarly, America and Great Britain put their hopes in a nuclear-backed Western Alliance. New Zealanders' concerns and moral stands do not count for much when survival of the big powers is

seen to be at stake.

Europe has suffered the lash of terrorism much more than Auckland has. Containing terrorism is currently the big issue in Washington and European capitals. If achieving that goal is seen to require a blind eye to be cast on France's act of terrorism and if it is deemed necessary to embargo, say, butter sales to Libya, then no amount of New Zealand protest will change that.

If we want to stand tall on the world stage then we have to expect bruising encounters without automatic protection from what used to be described as our powerful friends.

Conviction that moral right is on our side will not always be sufficient comfort when the practical results work against our interests.

The more vehemently we take a moral stand the more humiliating will be any compromise or backdown which might be forced upon us by cruel circumstances. Before wagging a finger at others New Zealanders have to be sure that they will not themselves be vulnerable to charges of hypocrisy.

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CSO: 4200/1163

NEW ZEALAND

DAILY CONCERNED OVER VANUATU TIES TO LIBYA

Wellington THE EVENING POST in English 9 May 86 p 6

[Editorial: "Libyan Influence in the Pacific"]

[Text]

VANUATU'S ANNOUNCED PLANS to establish diplomatic ties with Libya are cause for concern.

The concern is that Libya will exploit such a foothold in order to more easily meddle in the Pacific.

The diplomatic presence of a country some states have condemned for international terrorism is going to be worrying for unsophisticated micro states, and for any larger state with restive minorities, incipient independence movements, border problems, or which host American air traffic, tourists and facilities.

Wellington, Canberra and Washington may also be expecting some regional politicians to use the threat of Libyan influence as a lever to win them more aid and concessions.

Libya already has a people's bureau or embassy in Canberra, and has long supported the New Caledonian Kanak independence movement. Support has included invitations to independence groups to send representatives to Libya for paramilitary training or to attend a conference of international liberation movements. The new French Government has scrapped the Socialists' earlier political reforms intended to prepare the Kanaks for autonomy and to placate the French settlers. Kanaks are not likely to take kindly to the switch. The potential is for a return to the extremism earlier displayed by the pro-independence

Kanaks and by the settlers determined that New Caledonia be part of France. It seems to be a situation made to order for involvement by Libya.

Delegations of Libyan officials have recently been visiting Vanuatu. This is in keeping with the years of close contacts the Libyans have had with the ruling Vanua'aku Party.

As a sovereign nation determined not to be part of the struggle between superpowers, Vanuatu is entitled to make its own decisions about diplomatic recognition.

As Prime Minister of a small state with very limited resources, Mr Walter Lini understandably hopes for Libyan aid and trade to follow the opening of formal ties.

Unfortunately, in the case of Libya, other states have good reason to be apprehensive about the possible repercussions.

Vanuatu's announcement is another sign that the South Pacific's scattering of islands across an expanse of sea no longer provides the protection of remoteness from northern hemisphere tensions.

The increased capability of Russia's Pacific Navy and Air Force, American concerns about that, and the French determination to continue nuclear testing and to bolster their own presence and influence in the region are other signs that the Pacific is attracting attention of the unwelcome kind.

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CSO: 4200/1163

NEW ZEALAND

INDONESIAN INTEREST IN CNG TECHNOLOGY REPORTED

Auckland THE NEW ZEALAND HERALD in English 8 May 86 p 1

[Text]

NZPA Wellington

New Zealand is close to making a multimillion-dollar breakthrough in exporting CNG technology to Indonesia.

The prospect follows the visit of the head of the giant state-owned Indonesian oil company, Pertamina, to Wellington.

Mr Abdul Rahman Ramli, president of Pertamina, which alone earns 80 per cent of Indonesia's export income, said yesterday that his company was convinced by New Zealand's CNG success story

that Indonesia should be using CNG as a transport fuel.

"We now have to convince our Government. But we think we will have no problem in that."

The company has already decided to set up a pilot project using its own vehicles, but has yet to buy any equipment.

Mr Ramli said that if Indonesia could use more of its cheap and plentiful natural gas domestically as transport fuel this would leave more oil for export.

This would help the country at a time of falling oil prices.

"We think New Zealand could help us with CNG."

He said Pertamina had established successful cooperation with New Zealand in the development of its geothermal energy fields.

A consortium of three New Zealand companies, Welgas Holdings, McConnell Dowell and Deca Worley International, have formed a joint venture to sell New Zealand's CNG technology to Indonesia.

Pertamina's aim is to convert 100,000 vehicles to CNG in the West Java area by 1990.

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CSO: 4200/1163

NEW ZEALAND

MAORIS ATTACK ENERGY MINISTRY GEOTHERMAL ANNOUNCEMENT

Auckland the NEW ZEALAND HERALD in English 9 May 86 p 10

[Text]

The Te Arawa Maori Trust Board has launched a stinging attack on the Minister of Energy, Mr Tizard, over his announcement this week on management of the Rotorua geothermal resource.

The board says Maori people are the original owners of the resource and they should have a measure of control in how it is managed in the future.

The board says the needs of the Maori people have not been fully considered in the changes Mr Tizard made this week.

Their response follows Mr Tizard's announcement that geothermal users in Rotorua would have to pay an annual

rental charge and obtain a water right.

In a letter sent this week to Mr Tizard, the board says: "Imposition of a levy on traditional Te Arawa users, marae and papakāinga [places of ancestral settlement] would be a deliberate and provocative breach of trust by Her Majesty's Government on her loyal Te Arawa people."

The board's deputy chairman, Mr Alex Wilson, said board members should be included on any geothermal authority which is established to handle licensing of energy users.

He said that, ideally, the board itself should be the controlling authority of what was a traditional

Te Arawa resource.

"We do not believe that we Maoris here in Rotorua have given away the geothermal field," he said. "Everyone is assuming that they own the geothermal field."

"But we have used the steam here in Rotorua for the last 500 years. Maori people put the first bore down here by hand."

The board wrote to Mr Tizard in October last year expressing its concern and received an answer in November.

Mr Tizard had replied that he believed work undertaken by the monitoring programme and task force was seeking to help to protect the resource for the board's enjoyment and for the people who visited the area.

But Mr Wilson said the board was angry that they had not been included in formulating the new policies for geothermal management.

A spokesman for Mr Tizard said Mr Tizard would not comment until he had spoken to the Arawa people.

Other new policies in the changes announced on Tuesday included geothermal well owners being required to obtain water rights to use geothermal fluid, use of conservation orders and encouragement for local bodies to develop their policies.

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CSO: 4200/1163

NEW ZEALAND

EXPERT CITES FAILINGS OF LOCAL ELECTRONICS INDUSTRY

Auckland THE NEW ZEALAND HERALD in English 8 May 86 p 17

[Text]

The New Zealand electronics industry is only a minute fraction of the size it should be, says a veteran electronics expert, Mr Dick Morris.

"We need 50 times the number of electronic companies," he said.

Mr Morris has just retired as head of the electronics section at the Department of Scientific and Industrial Research's physics and engineering laboratory at Gracefield, and has now become an independent consulting electronics engineer.

New Zealand's electronics exports last year totalled \$60 million — low compared with another small agricultural country, Eire, which managed some \$3 billion worth of electronics exports, he said.

Coherent Policies

"We fail to realise that we should be actively involved in the high tech field. The conventional wisdom at the present time is that there is no advantage for us to do so.

"That is palpably nonsense when you look at the state of our traditional exports. In the long run, New Zealand will be forced to change its ways and develop coherent industry development policies.

"We are well on the way to becoming a Third World country now," Mr Morris

said.

New Zealand boasts some excellent electronics companies, like Tait Electronics and AWA. But the industry is being hit by the Industries Development Commission plan for the electronics industry, which is decimating the consumer electronics sector, according to Mr Morris.

Optimist

"The industry is in recession now, and total production could be cut by half or even two-thirds. It is still uncertain how well the small professional industry can survive the loss of support afforded by the consumer side.

"But I'm still an optimist. I believe that New Zealand will finally see the need to examine where it is going and what is best for the country," he said.

During his career at the physics and engineering laboratory, spanning 27 years, Mr Morris has gained the reputation of being an outspoken straight talker, with all the zeal of an evangelist and an avowed love of reasoned arguments.

Pioneer

His positions there have included divisional head, chief engineer and deputy director.

His former director for

21 years, Mr Mike Collins (now the DSIR assistant director general), described Mr Morris as the most advanced person in New Zealand in the application of the new electronic technologies.

"He has been a pioneer in introducing modern electronic technology in New Zealand. His own achievements and those of his group have been considerable in many areas — from automation in the meat industry to setting up the laboratory's silicon wafer facility," Mr Collins said.

First Steps

Mr Morris first joined the DSIR in Christchurch at the end of the Second World War, and later worked in Britain for several years on radar systems at what is now the RSRE Malvern. His chauffeur at the top secret military establishment, Dorothy, later became his wife.

He joined the physics and electronics laboratory as a technician in 1959 and a few years later was appointed head of the electronics section. One of his first steps was to introduce transistors to replace outmoded valve equipment.

Since then, he has helped to introduce many new electronic technologies, and believes this should be the role of the DSIR.

NEW ZEALAND

PUBLIC SUPPORT FOR GOVERNMENT INCREASES

Auckland THE NEW ZEALAND HERALD in English 9 May 86 p 3

[Text]

Public support for the Government increased in the latest public opinion poll, in spite of mounting rebellion in the farming community.

The Government increased its public support as measured by the *Eye Witness News* Heylen poll by 1 per cent, to 48 per cent.

The National Party dropped 1 per cent, to 47 per cent in the poll, which was taken last Saturday, and broadcast last night.

The Democratic Party held its ground in the poll, at 4 per cent, while the New Zealand Party held on to its 1 per cent of public support.

The poll was taken among a sample of almost 1000 people, and had a margin for error of plus or minus 3 per cent.

The Prime Minister, Mr

Lange, continues to be a clear winner on the question of who is the preferred prime minister.

He increased his support by 4 per cent, to win the support of 35 per cent.

The former National Party leader and current party spokesman on foreign affairs, Sir Robert Muldoon, continues to poll better than the Leader of the Opposition, Mr Bolger, but the gap is narrowing quickly.

Sir Robert's support dropped by 1 per cent to 18 per cent, while Mr Bolger's support increased by 3 per cent to 16 per cent.

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CSO: 4200/1163

NEW ZEALAND

SUP ORGAN REPORTS FEDERATION OF LABOR CHANGES

Auckland NEW ZEALAND TRIBUNE in English 5 May 86 pp 1, 2, 8

[Text]

THE 49th FOL annual conference takes place in a period of rapid change and increasing class struggle, at home and abroad.

The offensive that monopoly has mounted against workers and other sections of the community in response to the crises affecting its system continues.

This increased aggression and strong FOL leadership, led to unprecedented action during the last award round. It brought thousands of workers into struggle for the first time. Forms of direct action previously considered 'militant', became commonplace. The union movement made important gains not only in the wages and conditions they won and protected, but also in the new levels of organisation achieved and in a wider understanding of the need for struggle.

Three of the four main aspects of FOL-CSU strategy were achieved: improvement of the position of the low paid; maintenance of living standards and protection of the national award system. The fourth goal, major change in the taxation system is still to be

won.

These were significant victories for the trade union movement which were won in defiance of the employers' plan to introduce 'labour market flexibility', to dismantle the national awards and to slash living standards.

The employers' aggressive use of injunctions, suspensions and lockouts failed to intimidate workers. Of particular importance were the meat industry settlements as it was widely recognised that the employers were using this arena as a test case. A victory for the employers would have had wide implications for the whole of the trade union movement.

Monopoly's determination to destroy the strength and effectiveness of the trade union movement remains, and it will continue to try to strip away all the gains made by workers in decades of struggle.

MASSIVE CHALLENGES

Trades unions face massive challenges. This conference will make decisions on urgent questions affecting its members - jobs, plant closures, redundancies, low pay, casualisation of labour and its special impact on women. It will deal with the wider issues raised by deregulation of the labour market and the Green Paper on industrial relations. It must face up to past weaknesses. The recent Maori trade unionists' hui at Rotorua identified several areas in which the trade movement has not responded adequately to Maori workers' needs. It issued a timely warning.

The working class needs unity, now more than ever, but this will not be won unless it takes up and fights for the particular issues of each of its component sections - Maori, women, unemployed, Pacific Island, young and aged workers, including superannuitants.

ABOUT CHANGE

In many ways this conference will be about change; responding to it and planning it. The rapid 'restructuring' of the economy is monopoly's response to the need for change forced by the advances of science and technology in production. Within the trade union movement this has brought a growing awareness that it also needs to change.

The trade union movement needs to reorganise and strengthen its structures to meet the growing organisation of monopoly and to enable more effective use of its resources. Some unions have already made decisions to amalgamate; others are considering it.

THE CTU AND AMALGAMATIONS

The formation of the CTU which will be decided on at this conference, is very important in this respect. One thing is sure: change will come. Either the trade union movement plans the nature of that change to meet its own needs, or it will have changes, forced on it which are not in its interests. This is essentially what monopoly's current offensive is about. In Western Europe, Britain, and the US trade unions were slow to adapt to changing conditions, and they suffered serious setbacks.

WORKERS' PLANS

There is also the need to expand an understanding that there is another way. Economic changes can be made which will not cause pain

to the largest sections of the population, but only by placing controls on monopoly, and involving workers and the community in decision making. This requires that workers develop their own plans for their industries and involve other non-monopoly sectors in this planning. This becomes more urgent as monopoly plans to put more jobs, plants, businesses and farms in the firing line.

SOCIAL ALLIANCES

This raises the very pressing question of social alliances. Monopoly today can only meet its objectives of higher profits and a bigger share of the country's wealth and resources at the expense of all other sections of society: workers, small business people and working farmers. Monopoly is the enemy common to these sectors, and they need to unite to fight it.

It is a measure of monopoly's successful manipulation that instead, these groups still see and attack one another as the enemy.

POSITION TOWARDS THE GOVERNMENT

Monopoly's attacks will continue regardless of which government is in power. We can only rely on our own conscious, organised action to make lasting gains. The trade union movement cannot, however, remain indifferent to which political party governs. It has a responsibility to work actively for the election of that government which will provide the best conditions for its class to organise in, and that quite clearly is Labour.

FREEDOM TO ORGANISE

There is no doubt that conditions for struggle have improved with this government. The restoration of wage bargaining and the unqualified preference clause, show this, as does the legislation before the House which will introduce paid leave for trade union education for the first time. This signals a major advance and the fury of the employers' response is proof of this. Still Labour has not done all it could. More rapid action on eradicating anti-union legislation as promised at the 46th FOL conference by Geoffrey Palmer would have considerably strengthened the Labour movement's position. The only alternative government at this stage is National, and it has given notice that it will quickly act to destroy the effectiveness of the trade union movement.

PEACE

In the past few weeks world tension has risen sharply. The US is directly responsible with its insistence on continuing its nuclear testing programme, its refusal to join the Soviet Union's test ban and its bombing of Libya.

It continues in its efforts to overturn the non-nuclear policy established by this Government and widely acclaimed by the world's peace forces. This is a policy the FOL played a significant role in winning, and no doubt, this conference will focus, not only on how it can be retained and strengthened, but also on how best to use its resources to respond to the new dangers threatening the world.

/9274

CS0: 4200/1163

SUP MEDIA STATEMENT 1/8/86 re Chernobyl' nuclear accident

Any accident in the development of nuclear power is very serious, but the current media campaign about the Chernobyl nuclear accident is clearly being developed into a major anti-Soviet campaign.

Despite official Soviet statements, several Western press agencies are persistently alleging that the Soviet authorities have refused to give out information.

Moscow Radio World Service broadcast statements about the accident on April 29 and these were heard by listeners in Auckland.

Those who are responsible for the trumped-up anti-Soviet publicity in this matter could well translate their energy into portraying just how disastrous a nuclear war could be.

As with the case of the sinking of the *Mikhail Lermontov*, the western media are all too keen to develop a hate campaign against the USSR as a useful and necessary tool to justify opposition to the creative peace proposals of the USSR. (See page 4 for story.)

The Socialist Unity Party has sent a message of sympathy about the accident to Mikhail Gorbachyov, General Secretary of the Communist Party of the Soviet Union.

NEW ZEALAND

MAY WALKOUT HIGHLIGHTS SPLIT IN FOL RANKS

Auckland THE NEW ZEALAND HERALD in English 9 May 86 p 3

[Text]

Wellington
Representatives of four Federation of Labour unions staged a walkout from the FOL conference in Wellington yesterday in protest at the vote in support of a New Zealand Council of Trade Unions.

The man who led the dissident group from the hall, Mr Dave Morgan, the national secretary of the Seaman's Union, said the delegations would boycott the rest of the conference.

"We do not like having to demonstrate our opposition to the CTU in this way but it is the beginning of the dissolution of the FOL."

With Mr Morgan's union were officials of the Waterside Workers' Federation, the Cooks and Stewards' Union and the National Union of Railworkers.

As he left, Mr Morgan said that his union would continue to work in and support the FOL "as long as it exists."

Develop Bonds

He said the four unions had no plans to set up an alternative trade union organization, although he acknowledged that the seamen and watersiders, as maritime groups, were very close.

"We will remain that way and indeed will develop those bonds."

The walkout came at the end of a marathon conference debate on a Council of Trade Unions, which would merge the FOL and the Combined State Unions into a single national body.

Endorsement for a council was won by 318 votes to 99. About 63 abstained.

Under the plan approved, the FOL remains in existence until its 50th conference next year, when its affairs will be formally wound up.

Two Against

In the meantime, a CTU constitutional conference will be held this October, a policy conference next February and an inaugural general conference in October 1987.

Earlier, in speaking to the debate at the conference, Mr Morgan, one of two FOL national executive members opposed to the CTU, said he did not think the concept was in the interests of New Zealand workers.

"Basically it means the demise of the FOL — think about that. All the fine words and gilt-edged theory notwithstanding, that is the bottom line.

"We will remain loyal to the FOL until it shuts down. At that point we will have loyalty to no other organisation than the working class movement.

Faceless

"A vote for the CTU will rip the heart and guts out of the conference."

The general secretary of the Waterside Workers' Federation, Mr Sam Jennings, the other FOL executive member against the CTU, said his federation had no loyalty to a faceless organisation.

"You will destroy the FOL," he told the conference. "Once you have done that, we will say goodbye."

But another FOL executive member, Mr Ray Campbell, said he supported the CTU because he believed it would make the best use of union resources, which included the membership.

He said it would also mean more effective representation for women and Maori trade unionists.

The national president of the Meat Workers' Union, Mr Roger Middlemass, said the brief of the trade union movement was to cover all workers, whether they be blue or white-collar.

"And the group of workers we most need to cover are those who are less organised, who do not have a history of militancy."

Mr Middlemass said that in the past the working class had received a lot of support from white-collar workers. Marx, Engels, Lenin and Ho Chi Minh, he said, were all white-collar workers and academics.

The president of the FOL, Mr Jim Knox, said he supported the CTU. But he also commented on rumours that his days at the helm of the trade union movement might be numbered.

"I will go when I am ready to. And when I do get out of this, I will go with my head held high."

Along with the four unions that walked out of the conference, four others — the Printers' Union, the Timberworkers' Union, the Liquor Trades Union and the Cleaners and Caretakers' Union — spoke against the concept during the debate.

Among the major groups that supported it were the Distribution Workers' Federation, the Engineers' Union, the Hotel Workers' Federation, the Clerical Workers' Association and the Meat Workers' Union.

NEW ZEALAND

EDITORIAL VIEWS FOL, GOVERNMENT POSITIONS

Auckland THE NEW ZEALAND HERALD in English 9 May 86 p 6

[Editorial: "FOL's Forlorn Laager"]

[Text]

Defence features prominently in the incomes policy proposed to the Government from the conference of the Federation of Labour: defence of existing jobs, of award wages, of life as union conservatives like it with exclusive bargaining rights for a conscripted membership and the ability to bind disparate firms and industries into distantly negotiated labour contracts.

The proposition endorsed by the FOL gathering this week does not exactly spell that out. But those privileges and more are implicit in the national award system, around which the federation has drawn its laager against the free market.

For all that, the 10-point proposal represents some unstated concessions by the union movement to new realities. It does not demand the economic planning, protection and control argued in previous federation manifestos, nor does it seek a reversal of the Government's liberalisation of markets other than labour's own.

In essence, if not in words, it seems in line with the intentions of the more idealistically determined elements on the federation's executive who have lately urged the movement to seek a formal economic "accord" with the Government.

This is not an accord, says Mr Knox, loyal to even a heretical Labour Government. But Mr Ken Douglas tells the conference

the agreement amounts to an effort to show the union movement is serious in its demand for a say in the economic management of the country. On its stance hitherto, he concedes, unions did not have that capacity.

The Government, however, remains unlikely to negotiate an accord under any guise. Even if Mr Douglas, Mr Campbell and their ilk seek no more than to stop the march of deregulation at the portals of the labour market the Government may be disinclined to oblige them.

The Prime Minister was courageously blunt on that score when he faced the antagonistic conference on Wednesday. The time had come for "radical" reform of the labour market, he said, and damned the award system in particular, raising the prospect of legislation this year.

Clearly the Government sees little need for significant policy concessions to its Left to help achieve a sensible wage round amid the recessionary conditions and tax benefits likely in the spring. Just as clearly it is confident that unions have less to fear than they imagine in labour market deregulation and perhaps much to gain.

It certainly displays no need yet to dilute its economic reforms in order to preserve its electoral base.

NEW ZEALAND

GOVERNMENT ADVANTAGE ANALYZED IN FOL RELATIONSHIP

Wellington THE EVENING POST in English 10 May 86 p 6

[Editorial: "Government Advantage"]

[Text]

THE FEDERATION OF Labour bid to create a special relationship and agreement with the Government can be seen in different lights.

The initiative for securing certain goals is coming from the executive of the FOL and the Combined State Unions but it is the Government that is being presented with the biggest opportunities.

Instead of being in the ineffectual talk situation of the tripartite sessions leading up to the next wage round the Government will be able to bargain hard with the trade union movement.

The Government is not bound to confine the bargaining to the 10 points endorsed by the FOL conference. Government negotiators would be able to discard what they do not want to agree to and instead push for acceptance of their own set of goals.

Union acceptance of a relatively low level of pay increases in the wage round is an obvious example. Getting union agreement to that without forcing the Government into intervention would be an achievement.

Insistence upon genuine use of problem resolution mechanisms without resort to strike, might be another goal the Government could seek.

Prime Minister David Lange has told the FOL conference second tier bargaining is a question to be addressed if the national award system is to remain important. Mr Lange is now being presented with the opportunity to get that matter fixed.

Many State and private sector unions are dismayed and annoyed about what the Government is doing. They are disconcerted by what is happening to familiar concepts of what a Labour Government is about. The rapidity and nature of change is affecting unions and their place in the scheme of things and there is a sense of powerlessness and

some apprehension. Memories of the long wage freeze and voluntary unionism contribute to these insecurities.

Seeking agreement with the Government is one way for the union movement to try to repair their situation. If it succeeds the unions may be able to have the Government modify its monetarist free market policies. Agreement would also make it easier to have the unions work to stave off election of what they see as an anti-union National Government. A bonus for the unions would be to reduce or virtually eliminate the employers as an influence on Government economic, industrial relations and social policy.

No democratic government can afford to ignore the employers or become too tightly bound to any particular special interest group, but extravagant bids are not unusual in a start to bargaining.

The Government would be aware of all of these factors and could play them to the hilt in trying to secure what it sees to be the best bargain for the whole economy.

Constraints on striking too hard a bargain include the need to have any agreement endorsed by a special meeting of the union movement. Another problem would be the refusal of unions outside the FOL to be party to the agreement. Any reasonable Government move to limit what those unions can do would be unlikely to upset the FOL.

Whether the tripartite talks are still relevant for all practical purposes while this bargaining over a possible agreement goes on is something to be worked out. We would hold that the FOL CSU proposal cannot be divorced from the tripartite forum. The unions and the Government are not the only parties involved in the subjects covered by the proposed agreement. The employers cannot be excluded from contributing to a cosy arrangement of the kind envisaged.

/9274

CSO: 4200/1163

17 July 1986

PHILIPPINES

U.S. NAVY SHIPS ALLEGEDLY USED BY DRUG SYNDICATE

HK171018 Manila MANILA BULLETIN in English 16 Jun 86 p 32

[By Jerry Lacuarta]

[Text] Angeles City--Aircraft carriers of the United States docking at the Subic Naval Base in Zambales are being used by an international drug syndicate in transporting illicit drugs to the Philippines. This surfaced following the arrest of two suspected members of the syndicate recently in Angeles City, according to Lt Col Amado Espino Jr., 3rd Narcotics Command (NARCOM) chief.

The Office of Special Investigation (OSI) of the U.S. Air Force in Clark Air Base here and the Subic Naval Intelligence and Security Residents Agency (NISRA), said they were not aware of the use of aircraft carriers by the drug syndicate but indicated they would look into it. A NISRA agent said the drug trafficking may be perpetrated by crew members of the battle ships. He denied the participation of any officer of the ships in the drug trafficking.

NARCOM agents said, they are looking into reports that the drug syndicate had flooded tourist areas in Metro Manila, Olongapo, and Angeles with heroin.

Espino said that NARCOM agents recovered recently from Dennis Raytick, a suspected member of the drug ring, about 10 grams of heroin. Raytick and a companion were arrested here early this year. They are reported to have been convicted of drug pushing by a court in the U.S.

Last year, Espino said, the U.S. Coast Guard intercepted a commercial vessel reportedly used by the syndicate in transporting marijuana from the Philippines to the San Francisco Bay, in California. The vessel, it was reported, was carrying about 300,000 tons of marijuana plants and illicit drugs.

Aside from transporting marijuana to various countries, the syndicate has also made this city and Olongapo as the "distribution centers" in Central Luzon, Espino said. The marijuana come from plantations in Northern Luzon, Nueva Vizcaya, and Nueva Ecija.

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CSO: 4200/1149

PHILIPPINES

NBI: CLARK-SUBIC SYNDICATE ILLEGALLY SELLING CARS

HK190401 Manila MANILA BULLETIN in English 18 Jun 86 p 8

[By L. Catapusan and Mario Casayuran]

[Text] The government has lost some P760 million in tax revenues to a syndicate based in Clark Air Base and the Subic Naval Base who are engaged in the illegal sale of imported, tax cars and other vehicles.

This was disclosed yesterday by the National Bureau of Investigation (NBI) which said the syndicate is being run by a group of car salesmen, U.S. military servicemen, civilian personnel at the two U.S. bases and customs brokers.

The NBI made the disclosure following a successful raid on two car sales firms in Angeles City during which lawmen seized various documents indicating the illegal operations of the syndicate.

An NBI source identified the two firms as the Colt Military Sales, on Perimeter Road, Friendship, Angeles City, and the Harmony Marketing Corp., also known as "Toyota Military Sales," on Perimeter Road in Clarkview.

The NBI raiders, armed with a search warrant, seized tax exempt certificates, power of attorneys, bill of lading, purchase orders, motor vehicle importation certificates including blue forms of such documents, ledgers, journals, book of receipts and a salesbook of the above car firms.

According to an NBI official, the confiscated documents were proofs that the officers of the Colt Military Sales and Toyota Military Sales firms had conspired "and are still conspiring" with syndicate members in facilitating the importations of expensive foreign cars without paying the corresponding taxes and selling them to non-tax exempt buyers.

A spokesman of the NBI raiders said that the group started their fraudulent operations in 1975 and averaged an importation rate of not less than 10 cars a month defrauding the government of some P5 million in unpaid taxes every month for the past 11 years.

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CSO: 4200/1149

PHILIPPINES

OFFICIAL PROCURES IBRD ROAD IMPROVEMENT LOAN

Davao City DAVAO STAR in English 29-31 May 86 p 6

[Text]

MLG Deputy Minister Douglas R.A. Cagas arrived Saturday from Washington, D.C. and reported to MLG Minister Aquilino Q. Pimentel, Jr. the success of negotiations with the International Bank for Reconstruction and Development (IBRD) for the approval of the proposed US \$ 82 million Loan for the Rural Roads Improvement Project (RRIP) being undertaken by the MLG and the MPWH.

In his report to Minister Pimentel, Cagas said that the loan package covered fourteen (14) provinces namely: Abra, Agusan del Norte, Agusan del Sur, Bohol, Cagayan, Catanduanes, Davao del Sur, Ilocos Norte, Marikina, Misamis Oriental, Samar, Southern Leyte, Surigao del Norte and Surigao del Sur. Cagas said that Second Rural Roads Improvement Project shall be undertaken by the Ministry of Local Government (MLG) and the Ministry of Public Works and Highways (MPWH) which consists of rehabilitation, upgrading and spot improvements of provincial roads in the fourteen (14) provinces

and the construction and improvement of rural roads in project settlement areas.

The objectives of the Project are to:

1. Provide farmers' access to markets
2. Support land settlement efforts
3. To facilitate provision of services to rural areas; and
4. Further strengthen road building and maintenance capabilities.

During the negotiations, Cagas said that the Philippine representatives conveyed the Philippine government's preference to the labor intensive method (LIM) for the construction of the rural roads considering the high level of unemployment in the country. However, the method would only be used to the extent feasible for the project. Cagas also mentioned that the Philippine delegation pointed out during the negotiations the new administration's policy to limit the use of foreign consultants. The World Bank explained that the project maximizes local consultants and financing of minimum foreign consultants

shall only be employed in areas where technical expertise is not available.

Other points discussed and agreed upon during the negotiations were

1. The annual budgetary requirements for the project which had been set aside under the Forward Obligation Authority dated 24 April 1986 by the Office of Budget and Management;
2. The action program and implementation scheduled; and
3. Establishment of a Special Account for the project in the Central Bank to facilitate implementation of the project.

Cagas said that the Philippine delegation submitted a proposal for the refinement of the Equivalent Maintenance Kilometer (EMK) formula, a proposal which provide from annual adjust-

ments for price movements in the four major component of maintenance cost, labor, material, equipment and fuel. The proposal was reviewed by the World Bank and found satisfactory. Cagas explained that the proposal is still awaiting government approval.

To be implemented in 1987, the Second Rural Roads Improvement Project shall cover about 750 kilometers of provincial roads and bridges, 300 kilometers of barangay roads and bridges and 300 kilometers of national and provincial roads and bridges in settlement areas. Whenever feasible, the project shall employ labor-intensive methods and is expected to be completed by June 30, 1991.

The members of the Philippine Negotiating panel were:

ANTONIO M. LOCSIN
Deputy Director General
NEDA

DOUGLAS RA. CAGAS
Deputy Minister
MLG

MS. JAINE V. TAMBANILLO
Chief, Planning Service
MOF

MS. CRISTETA C. ESCRESA
Chief, Special Projects Division
OBM

TECHNICAL STAFF

LITO MONICO C. LORENZANA
Assistant Secretary
MLG

WILFREDO B. UY
Deputy Project Director
MLG

PASCUAL A. CABALLERO
Project Director
MPWH

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CSO: 4200/1154

PHILIPPINES

LEYTE NDF SPOKESMAN ALLEGES U.S. DIVIDING REBELS

Quezon City BUSINESS DAY in English 19 May 86 p 15

[Article by Danny C. Petilla]

[Text]

TACLOBAN CITY - A spokesman for the National Democratic Front (NDF) here alleged that the United States is using its strength to divide the revolutionary forces in order to protect its vested interests here and in other parts of the country.

Alfredo Militante, NDF spokesman for Northern Leyte, claimed in a recent interview with *Business Day* that this move runs counter to the new government's reconciliation policy and can worsen the atmosphere of tension existing between the rebels and the military.

Militante also stressed that NDF will never surrender, much more all down in a dialog, unless concrete changes are effected in the system, particularly in the military organization here.

ATROCITIES. He alleged that military atrocities continue to be perpetrated in Leyte against farmers, peasants and suspected members of New People's Army (NPA).

Militante denied the allegation made by the military that the NPA has escalated its offensive in the past three weeks which saw two police chiefs ambushed by rebels.

"We're still employing the same tactical offensive. We only engage the enemy in battle when it enters our area of operation," Militante claimed.

He also claimed that several political detainees are still in various stockades in Leyte. Some of these detainees cannot be released because their crime are now considered criminal and not political as originally leveled against them.

"The military should not now claim that it is the job of the courts to release these prisoners. It should follow up with the courts and expedite their release. In the first place, the military charged these people with political crime," Militante pointed out.

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CSO: 4200/1154

PHILIPPINES

DAILY REPORTS CONFLICT OVER SURRENDERED REBEL'S IDENTITY

Davao City THE MINDANAO DAILY MIRROR in English 25 May 86 pp 1, 9

[Text]

DAVAO CITY - Controversy is fast surrounding the real identity of one of the New People's Army commander who surrendered to President Cory Aquino at the Carmelite Church Friday.

Deputy presidential spokesman Alice Villadolid identified one of the 168 returnees as Alexander Navarro alias Commander Saulo.

Incidentally, Saulo was reported by local newspapers October 6, 1985 to have been identified by Mandaya tribesmen of sitio Butay, Caraga, Davao Oriental to be among those killed in an ambush October 3, 1985.

A Mandaya native by the name Custodio alleged to then RUC XI chief Brig. Gen. Jaime C. Echevarria that he personally delivered the fatal final shot to Saulo.

Custodio said that the NPA commander was popularly known as Commander Saulo in Sitio Butay whom he personally served as a cook when the NPA ruled the sitio and most of barangay Pichon from 1982 until their "uprising" on October 3, 1985.

Thirty members of the CPP-NPA's 234th Secondary Regional Guerrilla Unit operating in Caraga were reported to have died in the said ambush including Pablo Estander alias Kumander Ramil and Joel Fernandez alias Kumander Karim of the NPA's 23rd Main Regional Guerrilla Unit.

Custodio told Echevarria that they took up arms against the NPA in retaliation for the guerrilla's torture and killing of Mandaya elders Claro Alvar, Ruben Pawin and Eusebio Mampando.

Butay school teachers Rosalinda Mangandaan claimed that the Mandaya elders were executed because of their increasing resistance to the way Saulo and his group were treating the natives.

Saulo carried an undetermined cash reward on his head whether captured dead or alive.

RUC XI chief of staff Col. Roberto Manlongat was earlier quoted saying "that the reward was not released as they were not able to recover and positively identify Saulo's body."

Mandaya chieftain Ramon Lagungan reported that they buried the NPA casualties in a forestal area in sitio Sangab as they were already in an advanced state of decomposition October 5, 1986 when Echeverria and party arrived.

Doubts on whether Alexander Navarro alias Commander Saulo was dead or alive started when an article without any by-line appeared in one of the local newspapers October 10, 1985 claiming that the real Commander Saulo "is alive and kicking and is leading a 400-man guerilla band in the areas of Mabini, Pantukan and Mati."

11th CRG commander Lt. Col. Douglas O. Rosete pointed out that Caraga municipality and the Maragusan Valley encompassing Mabini, Pantukan and east of Mati are all under the direct supervision and control of the CPP's Southeastern Mindanao Regional Party Committee under Menandro Villanueva.

Rosete explained that duplication of a commander's identity is a common NPA practice

citing the cases of two "Commander Jumpers" who were separately slain in combat by intelligence operatives in 1976 and 1978.

In 1982, another "Commander Jumper" claimed responsibility for the killing of Digos Mayor Nonito "Jun" Llanos.

"This Mantos' (mantle) of deception has been successfully used by the Sandinistas and our local dissidents are obviously finetuning the method," Rosete said.

Rosete urged that credentials of returnees be carefully checked to preclude speculations against the new AFP in the wake of reports that "zombies" or deep-penetration agents fielded by the military are the ones calling it quits.

Incidentally, the 300-man NPA band that attacked sitio Siraban, Upper Mainit of Nabunturan municipality Friday morning belong to the same guerilla front of the Alexander Navarro alias Commander Saulo who surrendered that same Friday. (ERL)

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CSO: 4200/1154

PHILIPPINES

WITNESS CLAIMS VER MASTERMINDED 1971 BOMBING

HK200715 Manila MANILA BULLETIN in English 19 Jun 86 pp 1, 9

[By Jun Bandayrel]

[Text] A witness to the 1971 Plaza Miranda bombing charged yesterday that former Armed Forces Chief of Staff General Fabian C. Ver was the mastermind of the plot allegedly intended to eliminate ousted President Marcos' top rival, the late ex-Senator Benigno Aquino Jr.

The witness, Manuel Reyes Bogtong, who claimed he was an intelligence agent of the defunct Presidential Security Unit (PSU) under Ver, linked five other military officers and men to the plot.

Escorted by armed guards, Bogtong, 43, of San Pedro, Laguna, testified for two-and-a-half hours before members of the Presidential Committee on Human Rights. He was accompanied by his counsel, Reynaldo Bagatsing and Lupino Lazaro.

Bogtong said he was assigned as PSU agent in Malacanang from 1968 to 1972 after undergoing 18 months of training as a Constabulary enlisted man. He said his unit was involved in intelligence operations with Marcos' political rivals as targets.

He, however, said he could not recall the names of his PC [Philippine Constabulary] commanding officers other than Army Colonel Roland Pattugalan. He said he was shown mission orders of his unit but did not receive any copy of the orders.

Bogtong said he learned about the Plaza Miranda plot on July 6, 1971, four days after he arrived from Samar, where he was sent by Ver, then a colonel, to procure dynamites. The plot, he alleged, was discussed in their office by Ver, Lieutenant Porfirio Ramos, Sergeant Andres Lacdan, Sergeant Alberto Sulit, Tech/Sergeant Pedro Gutierrez, and Renato Suarez. He said this was tackled in about five other meetings.

On August 17, 1971, Bogtong said, the plan for the operations was finalized during a briefing presided by Ver. The witness said he did not have a direct hand in the bombing. He said the grenades were to be thrown the

moment former Senator Aquino appeared at the Plaza Miranda stage where the Liberal Party (LP) was holding a "miting de avance" on August 21.

However, he said, the grenades were prematurely thrown when one of the men assigned to do the job, who was positioned under the stage, heard the band start playing and thought it signaled Aquino's arrival. He lobbed his grenade onto the stage.

Two grenades exploded that night at the LP rally, killing nine persons and wounded some 100 others, including top LP leaders. Aquino had not yet arrived when it happened.

However, he said, he resigned in October 1972, because his conscience could not accept the orders he was given by Ver. He quoted Ver as saying that if he (Bogtong) was persistent in resigning, he would not receive any benefits from the PSU because all his records would be destroyed. He said he would be liquidated if he squealed.

Former Senator Jose W. Diokno, committee chairman, said they will evaluate the testimonies of Bogtong and Bagatsing and will summon the witness anew to identify the suspects from over 100 photographs taken during the bombing.

Bagatsing said he was approached by Bogtong sometime last January and learned about the witness' story in subsequent meetings.

/12858

CSO: 4200/1149

PHILIPPINES

SISON URGES FOREIGN POLICY BASED ON NATIONAL SOVEREIGNTY

Quezon City BUSINESS DAY in English 19 May 86 p 15

[Article by Rodel C. Felix]

[Text]

The country should push for an independent foreign policy based on national sovereignty and territorial integrity, which is free from foreign domination and looks after the rights and interests of the Filipino people and the state, Jose Ma. Sison, alleged founder of the Communist Party of the Philippines, said this during Friday's forum at the Asian Center at the University of the Philippines.

Sison stressed that an independent foreign policy of the country should adhere to the time-honored principles of co-existence which mutually respect sovereignty and territorial integrity, call for mutual non-aggression and non-interference in each other's internal affairs, and require mutual benefit in developing diplomatic relations, economic and cultural exchanges with other countries.

"Under these principles, the Philippines can have relations irrespective of ideology and

social system. These relations can be of a bilateral character as well as multilateral organizations with agencies such as the United Nations and others which do not have any aggressive character."

US DOMINANCE. Sison was apparently referring to what he claimed as "US domination" in the country's affairs. He said to realize a truly independent foreign policy, the Filipino people must abrogate the "unequal treaties or agreements with the US as well as repeal laws upholding special treatment and other extraordinary privileges to US transnational corporations."

Sison called for the dismantling of the US-RP basic agreement because it violates the Philippine sovereignty and territorial integrity and is a launching pad for aggression.

He added that the US military assistance puts the New Armed Forces of the Philippines under the US control, and the US-RP Mutual Defense Pact allows US troops to

interfere in the internal affairs of the country.

The dictates of the US economic policy through the International Monetary Fund, World Bank and other multinational agencies must also be stopped, he said. He claimed that economic and technical assistance by US agencies such as the Rockefeller and Ford Foundations, the Peace Corps, and USAID are being used to subvert the Philippines.

ALTERNATIVE. As an alternative to the US policy of "intervention and aggression," Sison said the country can establish trade relations with other countries which are also assertive of their independence and are less demanding than the US.

Sison said there is a growing resistance to US imperialism by other capitalist countries which could work to the advantage of the Philippines.

These countries like Japan, Canada, European countries, Oceania, and others can supply capital goods, essential and consumer goods to the Philippines.

/9317

CSO: 4200/1154

PHILIPPINES

NISA CLEARANCE NO LONGER REQUIRED IN CIVIL APPOINTMENTS

Davao City DAVAO STAR in English 29-31 May 86 pp 1, 6

[Text]

DAVAO CITY — The NISA (National Intelligence Security Agency) clearance is not anymore a requirement for appointment.

This was stressed today by Mrs. Linda Ampatuan, regional director of the Civil Service Commission for Region XI.

Mrs. Ampatuan said the CSC by virtue of Memorandum No. 86-093 dated March 13, 1986, has already discarded the NISA clearance requirements in all appointments.

President Aquino, it may be noted, had already abolished the NISA.

It may be recalled that in the past the CSC has prescribed that all appointments in the civil service, whether in the career or the non-career service, shall be accompanied by the necessary NISA clearance.

The CSC has likewise prescribed previously that all appointments to positions of Civil Security Officers and other personnel of the Civil Security Units in all offices of agencies of the government shall be coursed through the NISA before the same are forwarded to the CSC for approval. (MOI)

/9317
CSO: 4200/1154

PHILIPPINES

PIMENTEL ALLEGES MILITARY SUPPORT FOR KBL OVERSTAYERS

Davao City THE MINDANAO DAILY MIRROR in English 28 May 86 pp 1, 10

[Text]

Local Government Minister Aquilino Pimentel accused certain military officers of protecting KBL local officials from being replaced by officers-in-charge appointed by the new administration.

Pimentel made the accusation during a nationwide radio broadcast wherein cabinet ministers with President Corazon C. Aquino in her Davao visit answered questions from the people and media panelists.

The MLG head reacted to an assessment by military leaders that Pimentel's act of firing local elected officials boosted the cause of insurgency in the country.

"This is a sweeping statement but it is not surprising to have come from military commanders who want to retain their KBL friends," Minister Pimentel said.

The MLG head reiterated his argument that the reason incumbent local officials were replaced was that their terms of office expired last March yet and that the four-day revolution at EDSA was taken to be also a mandate to remove all the vestiges of the Marcos dictatorship which included the KBL local officials.

"Besides, how would local government units help President Aquino introduce reforms if they are still under the KBLs?, he asked. — (AMA)

/9317

CSO: 4200/1154

PHILIPPINES

DAVAO PAPER URGES GOVERNMENT HALT 'VENDETTA' AGAINST KBL

Davao City THE MINDANAO MAIL in English 24 May 86 p 2

[Editorial: "Reconciliation or Retaliation?"]

[Text]

The choice is clear to the decision-makers of the new government: should it pursue relentlessly its emotionally-charged political vendetta against the so-called discredited Marcos regime or instead re-unite the people through genuine reconciliation in order to achieve economic recovery? These two goals are incompatible with each other and indeed the negative undermines the positive.

It appears that the engines of the Aquino government are run on the fuel of hate against everything and everybody associated with the fallen dictator. While it proclaims reconciliation towards the leftists and the communists, it unleashes retaliation against the so-called loyalists of Marcos. In between, the ordinary Filipino citizen — who is neither a leftist or loyalist — is becoming bewildered and growing frustrated. He has been promised virtually everything that could transform this country into a paradise if only the dictator is overthrown. It was promised that prices of prime commodities will go down, that the rebels will surrender, that peace and order will be restored, that the economy will again vibrate and the new government will restore freedom, justice and democracy — just short of promising utopia to Filipinos.

But what is the reality today? It must be admitted though that never before has there been such surging of high hopes among our people after the demolition of the past regime, positive expectations generated by the post-revolution euphoria lifted everybody's feelings, all pointing to better and brighter days ahead. Days turned into weeks, and weeks into months and now, almost 100 days in power, all that has been accomplished is a daily bombardment through the media on how corrupt and evil was the Marcos regime, plus the forcible installation of hundreds of OICs all over the political landscape — while economic recovery remains a mirage and genuine reconciliation is a dream turning into a nightmare.

But the people cannot forever be fed on a diet of hope and a menu of hate. Former labor minister Blas Ople, now heading a new party after severing his ties from the KBL, was right when he reminded the Aquino government that it has now the full responsibility for the welfare of the entire Filipino people – and it cannot escape such responsibility by continually blaming and harping on the past regime, which is already dead, buried and irrelevant. It must now restore political normalcy and achieve national unity – and this, obviously, cannot be done by forever beating the dead horse that is the unlamented Marcos regime. The tactic of appearing good by making others look bad may work now, but not always.

As a matter of fact that tactic could eventually boomerang. The people's needs and expectations cannot be postponed indefinitely, otherwise one revolt can lead to another.

/9317

CSO: 4200/1154

PHILIPPINES

DAVAO OIC ORDERS MOVES AGAINST SQUATTERS

Davao City DAVAO STAR in English 29-31 May 86 pp 1, 5

[Text]

DAVAO CITY - "We will proceed with the demolition of squatters' shanties and structures in the city," this was stated by Mayor Zafiro Respicio during an interview in his office yesterday.

"I would like to appeal to our people to demolish their own shanties voluntarily, otherwise, we will send our demolition team. We may get their materials, and we may even file charges against them," he said.

Respicio said that those who established shanties in any government or private

property after the revolution have taken advantage of the situation.

He added that those who will cooperate with the city government will be considered for resettlement, but those who defy the order will not be accommodated for resettlement.

He declared that those shanties being constructed on road sections along national highways will be demolished first. But there has been no decision to demolish shanties at the Telecommunications Bureau at Maa, this city.
(MOI/Palacio)

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CSO: 4200/1154

PHILIPPINES

ENRILE LIFTS SEQUESTRATION OF GAMBLING, TV COMPANIES

HK200657 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 19 Jun 86
pp 1, 6

[Text] Defense Minister Juan Ponce Enrile ordered yesterday the lifting of two sequestration orders on two government-run gambling establishments and three privately owned TV networks.

In Ministry Order No A-079, the defense chief directed the lifting immediately of Ministry Orders A-002 and A-003.

The first Ministry Order, A-002 sequestered the Jai-Alai front and the New Philippine Casino last February 26, 1986, while A-003 sequestered Radio Philippine Network (RPN-9) Banahaw Broadcasting Corp. and the Intercontinental Broadcasting Corp. as well as their sister radio stations, March 1, 1986.

Enrile said that "based on intelligence assessment and evaluation, there appears to be no more impelling need to continue the sequestration of the five corporations."

In his order, Enrile also abolished the task force created by the previous ministry orders. He also directed that a copy of the lifting order be furnished the Presidential Commission on Good Government [PCGG].

In explaining the lifting of the sequestration, specifically on the three TV networks, ministry sources said the task force took full operations and management of the three networks. It said the tenure of the task force, which consisted of a board of administrators and three appointed presidents for the three TV stations, ended with the lifting of the sequestration order.

On the assets of the sequestered firms, ministry sources said the PCGG shall have the power on their final disposition.

/12858
CSO: 4200/1149

PHILIPPINES

BRIEFS

CITIZENSHIPS MAY BE INVALIDATED--Some 1,000 aliens granted Philippine citizenship by ousted President Marcos are in danger of losing their citizenships due to invalidation following submission by Commissioner Rustico De Los Reyes to the Constitutional Commission an amendment to section 1, article 3 of the new constitution draft. The amendment aims to abrogate the presidential decrees on citizenship. Let us hear from Commissioner Rustico De Los Reyes on the issue. [Begin De Los Reyes recording] ...that is one of the reasons I modified my amendment so that it would be too harsh and inhuman and make people say that the Constitutional Commission is being used for dishonorable purposes. Thus, I am giving them a chance to have their citizenship confirmed by court. That is, an official confirmation in a manner that would be prescribed by law later on. Now, if they still do not petition the courts for confirmation of their citizenship despite the chance being given them, perhaps they are not interested in remaining as Filipino citizens. [end recording] [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 23 Jun 86 HK] /8918

EXTRA MILITARY VEHICLES TO PROVINCES--Army Chief Brigadier General Rodolfo Canieso resolved the shortage of vehicles in different camps in the provinces. Here is a report by Elmeriza Quinero of the Civil Military Operations Battalion on this matter. [Begin Quinero recording] Brigadier General Rodolfo Canieso ordered that 15 percent of army vehicles in Metro Manila be sent to battalions and brigades in greater need of these vehicles. The vehicles to be taken from the Philippine army headquarters are unit cruisers and land rovers. With the addition of the much needed vehicles, it is expected that the army would become more effective in its counterinsurgency campaign. [end recording] [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 23 Jun 86 HK] /8918

ALLEGED CORPUZ PROMOTION REFUTED--Malacanang refuted an alleged report that former political prisoner Victor Corpuz was promoted. According to the said report, Corpuz was promoted to fully fledged colonel from the rank of lieutenant colonel. Malacanang added that the Ministry of Defense and the Armed Forces of the Philippine Chief of Staff office did not present any recommendation for promotion to the Office of the President. [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 23 Jun 86 HK] /8918

NPA COMMANDERS REPORTED READY TO SURRENDER--Samar action governor (Joseliano Singson) said that three NPA commanders have expressed their intention to surrender to the government. However, the rebels set down conditions for the

surrender. One of their demands is that the government should demonstrate sincerity to serve the people and that it should spend every centavo of funds to finance projects such as the building of public schools and roads. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 23 Jun 86 HK] /8918

PROBE ON PENDING NATURALIZATION APPLICATIONS--President Corazon Aquino ordered the Ministry of Justice and the office of the Solicitor General to investigate the pending applications for naturalization decrees not acted upon by the previous Marcos administration. Aquino's order was relayed to Justice Minister Neptali Gonzales and Solicitor General Sedfrey Ordonez. Aquino said the results of the inquiries and thorough study of the cases would be the basis for action to be taken. [Text] [Manila Far East Broadcasting Company in Tagalog 1100 GMT 23 Jun 86 HK] /8918

VIOLENCE IN BULACAN--Tension and terror reign in Bulacan in the towns of Tulingan and Plaridel because of a rash of hold-ups and killings in the past few weeks. Residents say armed youths in cars have been victimizing commercial establishments and the families of overseas workers as well as ordinary citizens of the towns. Most business people have begun to shut down their shops at 1800 or earlier because of the wave of violence. Last week, Mercury Drugstore and the Philippine Commercial International Bank were held up. [Text] [Quezon City Radyo Ng Bayan in Tagalog 0800 GMT 11 Jun 86. /12232

MARCOS SUPPORTER PROTESTS CHARGES--In Honolulu, Jose Lazo, a prominent supporter of deposed President Marcos, issued a warning to the Philippine Consulate in Hawaii. He added that he had requested his compatriots to protest to Consul General Raul Gomez in order to put an end to the fabricated rumors about Marcos. Lazo got angry at the statement of the consul general that Marcos paid for the various rallies held in Manila. [Text] [Laoag City Nation Broadcasting Corporation Station DWRI in Ilocano 0400 GMT 14 Jun 86] /12232

MILF FACTION AWAITS NEGOTIATIONS--The Moro Islamic Liberation Front [MILF] promised that it would no longer hold a rally in Cotabato City. The MILF Hashim Salamat faction said it would instead await the results of negotiation between the Aquino government and representatives of the Muslim secessionists. This followed the call of Brigadier General Rodolfo Gutang, chief of Regional Unified Command 12, for Muslim fighters and soldiers to unite and compromise for the interests of the country. [Text] [Quezon City Radyo N in Tagalog 0500 GMT 16 Jun 86] /12232

MILITARY CHECKS ILLEGAL LOGGING--Military checkpoints will be set up in eight areas with critical illegal logging activities going on. Natural Resources Minister Ernesto Maceda said three checkpoints will be set up separately in regions 2, 3, 5, 6, 8, 11 and 12. Each checkpoint will be manned by personnel from the military and the wood industry development authority [WIDA]. Maceda adopted the measure following the slaying of two WIDA officials and the wounding of another. At the same time, Maceda said he has requested the assistance of AFP [Armed Forces of Philippines] Chief General Fidel Ramos to investigate the said murder. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 17 Jun 86 HK] /12232

NPA REBELS CAPTURED--In Cebu City, Philippine Constabulary soldiers captured two suspected members of the NPA's liquidation squad in a barangay in Toledo City last Tuesday. [passage inilistinct] Confiscated from the suspects were two .45 caliber shotguns, according to Lieutenant Colonel Rodolfo Garcia, Cebu City Integrated National Police Commander. Garcia said the two were suspected to be sent by the rebels to the mountainous barangays of Cebu where the rebels have switched their operations. [Text] [Quezon City Radyo Ng Bayan in Tagalog 0800 GMT 13 Jun 86 HK] /12232

METRO CEBU DAILY VIOLENCE--The military reported that 5 persons are killed or injured every day in violent incidents in Metro Cebu, which has a population of 1 million. According to Colonel Anselmo Avelido, Jr, Cebu metropolitan district commander, some 800 violent incidents have taken place in Cebu since January. Metro Cebu comprises the three cities of Cebu, Mandaue, and Lapu-Lapu, as well as the towns of Talisay, Minglanilla, and Magsaysay in the south and Consolacion and Cordoba and Liloan in the north. [Text] [Quezon City Radyo Ng Bayan in Tagalog 0400 GMT 16 Jun 86 HK] /12232

MINISTRY OF INFORMATION CENTERS--The Ministry of Information [as heard] today began setting up information centers in strategic areas of the country to serve as liaison between the government and the people. Dr Benjamin (Lozare), special assistant to Information Minister Teodoro Locsin, Jr, said the centers aim to bring the information service and government facilities closer to the people as well as encourage public participation in the present drafting of the new constitution by the Constitutional Commission. (Lozare) also said that 19 information centers will be set up in eight of the 13 regions in the country as well as in other selected areas, such as 1 in the national capital region in Metro Manila. [Text] [Manila Far East Broadcasting Company in Tagalog 1100 GMT 19 Jun 86 HK] /12232

CSO: 4211/64

THAILAND

MINISTRY TO PROTEST LAO ATTACK ON REFUGEES

BK180111 Bangkok BANGKOK POST in English 18 Jun 86 p 1

[Text] The Foreign Ministry will lodge a protest with the United Nations over Saturday's cross-border raid by Pathet Lao troops in which 35 illegal Laotian settlers were killed and 16 wounded.

Political Department Director-General Thep Thevakun said yesterday the Laotian Ambassador would also be summoned to receive a protest note.

A military report, he said, confirmed that Laotian troops crossed into Thailand and carried out the killings in Phayao Province.

Sources said the 107 survivors of the attack on Ban Huai Pong were being interviewed by officials of the Internal Security Operations Command in an effort to identify the highland and lowland groups to facilitate repatriation arrangements.

The illegal settlers at Ban Huai Pong, about 10 kilometers from the border with Sayaboury Province, were attacked by a 40-strong Pathet Lao force.

Killed in the raid were six men, 11 women, and 18 children. The 31 men, 27 women, 24 boys and 25 girls who survived were quoted as saying they fled Ban Kuai, Sayaboury, because Pathet Lao troops plundered their livestock and produce and raped the women and girls.

Officials said the attack might have been intended to punish the settlers, who had refused to provide Pathet Lao soldiers with supplies, and to discourage others from fleeing to Thailand. They said the attackers, who were of Hmong and Khamu origin, were dispatched from Ban Huai Ngoun, Sayaboury.

Phayao Governor Suchit Khowanit said he had set up a committee to consider if the survivors should be repatriated. Mr Suchit said they were now being detained at the illegal immigrants holding center in Chiang Kham District. Their purpose in entering Thailand would be the main factor in the decision, Mr Suchit said. If they came to Thailand with ill intentions, he said, they would all be repatriated.

/12858
CSO: 4200/1144

THAILAND

MINISTRY PLANNING ORGANIZATION AGAINST PROTECTIONISM

BK161010 Bangkok BANGKOK POST in English 16 Jun 86 p 13

[By Walailak Kiratiphiphathong]

[Text] Having gained experience from the adverse effects of protectionism practiced by certain countries, the Commerce Ministry is planning to set up an organization to counter such protectionism, a senior official told the BANGKOK POST at the weekend.

Somphon Kiattiphaibun, commercial consultant of the Commerce Ministry, said a plan and feasibility study to set up an organization to counter trade protectionism have been completed and will be submitted to the committee in charge of boosting foreign exchange earnings on Wednesday.

The committee is chaired by Deputy Prime Minister and Foreign Minister ACM Sitthi Sawetsila and includes Commerce Minister Pol Captain Surat Osathanukhro and the Foreign Ministry's Economics Department Direct-General Danai Dulalampha.

The organization, if approved, will be set up as a permanent body. "It has to work continuously because protectionism is increasing in current international trading," Mr Somphon said.

"In the past, we had no specific department to deal with the problem. We had only the Thai-U.S. Trade Relation Committee, chaired by Industry Minister Mr Chirayu Itsarangkunna Ayuttaya, to look into the matter," he added. But as this committee is not directly responsible for and has no well-planned measures available in negotiating with counterparts, the results of the negotiations have not been favorable, the source said.

"Although Thailand won the fight against the Jenkins Bill which, if endorsed, would have damaged the Thai textile industry, we failed to defeat the so-called Farm Act which has been causing damage to rice exports," he said.

Because of the severe effect on Thailand's rice exports and falling prices, the committee in charge of boosting foreign exchange earnings last week unveiled three counter-measures to the Farm Act.

The first is a call for the Foreign Ministry to submit an official protest letter, on behalf of Prime Minister Prem Tinsulanon, to U.S. President Ronald Reagan, pointing out the impact of the law on Thai rice in the world market.

The second measure is for the Commerce and Foreign ministries to invite the other six non-rice-subsidizing countries, also adversely affected by the Farm Act, for a meeting to be held in Bangkok to discuss joint counter-measures, including action within the framework of the General Agreement on Tariffs and Trade (GATT).

The third suggestion calls for the Commerce Ministry's Foreign Trade Department to buy about 200,000 tons of rice from traders to stock in warehouses. The purchases are aimed at encouraging traders and exporters to speed up their purchases of rice and paddy.

Mr Somphon said the counter-protectionism organization will be headed by the Commerce Minister, with other ministers as members of the board.

"Whenever there are problems, this organization will be responsible for holding bilateral negotiations with counterparts and multilateral negotiations with countries concerned," he said.

He noted that the organization will not interfere with other government agencies' work. "Instead, it will coordinate among and cooperate with agencies concerned," he added.

The organization will help set policies in negotiations. "After the new body is formed, the committee on Thai-U.S. trade relations will be dissolved. Dr Chirayu also agreed to the concept of the establishment of this organization. He viewed that any counter-move against protectionism should be conducted by the Commerce Ministry, and not the Industry Ministry," Mr Somphon said.

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CSO: 4200/1144

THAILAND

DEMOCRAT LEADER INTERVIEWED ON FOREIGN POLICY, BORDER TRADE

BK130219 Bangkok BANGKOK POST in English 13 Jun 86 p 4

[Report on Interview with Democrat Party Leader Phichai Rattakun by reporters Soemsuk Kasitipradit and Nattya Chetchotirot--date and place not given]

[Excerpts] Since their three Bangkok by-elections victories and sweeps in the city and district council elections last year, the Democrats are on the crest of a rising wave of popularity.

At the helm of the party is deputy premier and party leader Phichai Rattakun who told the BANGKOK POST recently that the Democrats should be able to gain the most number of seats in the coming general election compared to other parties and therefore stand ready to help solve the country's economic woes and boost democracy. "We cannot say how the people will vote, but we think that our party will do better this time around," said the party leader modestly.

Political observers estimate that at best the Democrat Party should win around 100 seats in the new House of Representatives compared to 53 in the 1983 polls. If the Democrats are to become the core of the next coalition government, what specific changes--economically and democratically--can the people expect from the party?

"The economic system is not in a satisfying state," Mr Phichai said. One specific area which the Democrats hope to boost is the development of investment in Thailand. The present government budget for developing and promoting investment stands at 34,000 million baht. "There is a need to increase this budget to about 40,000 million baht," he said.

Another area in which the Democrats would like to see a change in style and approach is foreign policy. Foreign policy should not become an election issue as the matter concerned national security, Mr Phichai explained, and the party's stand here was that there should be continuity in the crucial policies. Nevertheless, he said that the Democrats would not make any major alteration in foreign policy and the party would continue to support the present policy.

But certain changes should be made to the way Thailand approaches issues, Mr Phichai emphasized. On the Kampuchean question, however, the party is fully behind the stand calling for the withdrawal of the Vietnamese and action along the lines of the United Nations resolutions. "The policy on Kampuchea is the correct stand to take and we support it," Mr Phichai said.

He added, however, that the Democrats thought a different approach should be made to foster a better ambiance that would lead to the negotiating table concerning the Kampuchean issue. He said that when General Kriangsak Chananan was prime minister, the "atmosphere" between Thailand and Vietnam was better than at present; and although the goals of Prime Minister Prem Tinsulanon and General Kriangsak are the same, the way the governments approached the problem was different.

Apart from changes in the style and approach on the Kampuchean issue, Mr Phichai said that if the Democrat Party obtained the foreign affairs portfolio, it would urge a revision of Thailand's trade policy regarding countries sharing our borders.

Trade along the border is one way of opening potential markets to Thailand, Mr Phichai told the POST, adding that Vietnam has a sizeable market in its 50 million-odd population. And on top of this, Thailand should not overlook the potential market in Laos, he said.

Still, admitted Mr Phichai, he made these comments as a politician and not as a diplomat, adding that in handling foreign affairs issues, the necessary virtues are without doubt endurance and patience.

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CSO: 4200/1144

THAILAND

TYCOON DENIES INVOLVEMENT IN OUSTING PREM CABINET

BK130249 Bangkok THE NATION in English 13 Jun 86 pp 1, 2

[Text] Well-known business tycoon Sawang Laohathai broke his silence yesterday to deny speculation that he had been involved in a move to topple the government on May 1.

"There have been allegations that I have spent 50 million baht to back a certain political party. If that's the case, I would have used the money to form my own party and become the party leader myself," Sawang, executive chairman of the giant agro-business Metro Group of Companies (also known as UMC), told reporters.

He said he was not involved in politics in any way and had not "dumped money" to "kill" the banking decrees or try to topple the government as had been alleged in certain circles.

Sawang also referred to reports that he was close to Supreme Commander General Athit Kamlang-ek and Mr Tamchai Khamphato, secretary general of the United Democratic Party, formerly president of the Krung Thai Bank.

"I have known Gen Athit since he was a colonel. But it was a normal kind of relationship. I have never done business with the military and have no policy to be involved in weapon trading. I am a professional businessman and have to be responsible for the lives and families of more than 10,000 employees. That's why I have tried to avoid politics," Sawang said. He said he had known Tamchai since they were schoolmates.

"When I borrowed money from Krung Thai Bank when Mr Tamchai was president, it was for long-term investment for 10 years' return on investment. If the bank wants the loan repaid now, it could take away my business," he said.

Sawang also dismissed allegations that his group had made major gains from the allocations of tapioca export quotas for the past two to three lots because of "special" information provided to him. "Minister Surat Osathanukhro (the commerce minister) is a man of integrity and honor," he said.

Sawang said his is a major business group and has laid down long-term plans from the beginning of this year. "That's why we do not miss easily," he said.

Sawang said Minister Surat's export policy for farm products had been on the correct path, because both farmers and exporters stand to gain. Sawang was speaking to reporters after the signing of a multi-million-baht countertrade agreement between UMC International and Romania at the Ambassador Hotel. Sawang said it was unfair for exporters to receive additional quotas for export to other countries in addition to quotas for export to EC countries. "In fact, the Metro Group has only 18 percent of total export quotas for tapioca and I wonder why companies which have been granted greater quotas have not been charged with being politically motivated," he said.

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CSO: 4200/1144

THAILAND

GOVERNMENT TO RESTRICT ACTIVITIES OF SOME DIPLOMATS

BK180137 Bangkok THE NATION in English 18 Jun 86 p 1

[Text] The government is mapping out measures to restrict activities of diplomats from certain countries considered "unfriendly" to Thailand, a senior official said yesterday.

Squadron Leader Prasong Sunsiri, the secretary general of the National Security Council [NSC], said his office and the Foreign Ministry are working out details of the measures to be applied to such diplomats and the countries to be included on the list.

Prasong did not reveal the tentative list but he did mention the Soviet Union and Vietnam as the two possible countries on the restriction list. He also said that some Middle East countries may be included.

The Cabinet approved the plan yesterday, he said, adding that the list will be completed as soon as possible.

The NSC chief said Thailand at present does not impose any restrictions on the movements of foreign diplomats within the country. "However, some diplomats have exploited our liberal policy in this regard and have entered certain areas sensitive to our national security," he said.

He specifically charged that some Soviet and Vietnamese diplomats have visited "sensitive areas" related to national security without informing Thai officials in advance.

It is well known that travel limits are imposed on Thai diplomats in some socialist countries and advance permission has to be sought from the host government before Thai envoys could enter certain areas in those nations.

"We will reciprocate what they are doing to us," Prasong said. He said the measures to be imposed on diplomats of each country will vary depending on how the country treats Thai diplomats.

He said the NSC and Foreign Ministry are speeding up completion of the plan. He did not specify when Thai authorities will enforce the measures.

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CSO: 4200/1144

THAILAND

BOOST IN TRADE TIES WITH USSR PLANNED

Bangkok BANGKOK POST in English 18 Jun 86 p 13

[Text]

THAILAND and the Soviet Union have agreed to promote bilateral trade cooperation, Deputy Foreign Minister Prapas Limpabandhu said yesterday after meeting visiting Soviet Deputy Trade Minister Evgeni Bavrine at the Foreign Ministry.

Mr Prapas said that during the meeting, both countries agreed to boost trade cooperation by exchanging more trade delegations and holding more trade exhibitions between them.

In the first stage, Thailand will be invited to display Thai products at a trade exhibition to be held in the Soviet Union, he said, adding that the Soviet Union will in turn hold a trade exhibition here sometime in October.

Mr Prapas said the extension of trade relations between Thailand and the Soviet Union and third countries were also discussed at the meeting.

He said the Soviet Union was interested in

a number of Thai commodities and there was a high potential for trade opportunities with Thailand in the near future as that country is planning to mass-evacuate its people to Siberia.

But Mr Prapas said he had told the Soviet minister that Thailand has a free trade policy and the private sector plays a significant role in the country's trading system.

He told the Soviet minister that what the Thai Government can only coordinate and ensure the smooth flow of trading.

He asked the Soviet minister to make direct contacts with the Thai private sector or the Thai Chamber of Commerce.

Mr Prapas also said that during the meeting, it was suggested that more trade cooperation on a private-to-government basis should be made.

But he said the matter needed to be discussed further by both countries.

/9317
CSO: 4200/1170

THAILAND

FORMER 'YOUNG TURK' LEADER WANTS TRADE WITH INDOCHINA

BK160155 Bangkok THE NATION in English 16 Jun 86 p 2

[Text] Colonel Prachak Sawangchit of Chat Thai Party said last night he would push the next government to establish trade ties with countries in Indochina if he was elected in the election.

Addressing a small crowd of less than 100 people at Wat Thewasunthon in Lardyao, the former "Young Turk" officer also said he would also urge for more trade between Thailand and Burma.

Col Prachak, who is running in Bangkok, said the three Indochinese countries--Laos, Vietnam and Kampuchea--are a potential market for Thai products. The former commander of the Prachin Buri-based 21st Infantry Regiment had earlier pledged to introduce a legislation to grant amnesty to the defendants in the September 9 coup trial.

Meanwhile, the Democrats last night held a rally at Chatuchak Park. Democrat leader Phichai Rattakun said it is the stand of his party that the post-election premier must be an elected MP. Speaking to an audience of about 500, Phichai said that if the Democrat Party won large number of parliamentary seats, it would seek an amendment to the Constitution so that it would be compulsory for the premier to be an MP and that the President of Parliament must be the House Speaker.

Members of the Seri Niyom (Liberal) Party yesterday also held a rally at Sanam Luang and attracted a crowd of about 2,000. Party leader Prida Phatthanathabut later told reporters that his party will not support Prem as the next premier. He said the next premier must be an elected MP.

It was the first announcement by Prida that his party is against Prem returning as the next premier. He had earlier taken a non-committal stand on the issue. Prida said there is no need for a "mediator" to be the premier of the post-election government.

/12858
CSO: 4200/1144

THAILAND

CABINET APPROVES BOOST IN DOMESTIC BORROWING TO OFFSET GAP

Bangkok BANGKOK POST in English 18 Jun 86 p 13

[Text]

THE Cabinet yesterday approved an urgent proposal of the Finance Ministry to borrow another 13,000 million baht in the domestic market to offset the revenue shortfall which is expected to be higher than earlier projected.

A Cabinet source said that the additional borrowing will be in the forms of promissory notes issued to the Government Savings Bank and government bonds sold to the general public and financial institutions.

The PNAs to be issued to GSB will carry an annual interest rate of 1.25% above the 12-month fixed deposit rate set by the Bank of Thailand, now 9.5% per annum, and the bonds the maximum interest rate of 11%, the source said.

The maturity of the PNAs, worth 1,000 million baht, will be 15 years.

The source said that as this was an urgent case, the borrowing would start next week.

A batch of investment bonds worth 2,000 million baht will be issued, with accrued interests to be paid in the fourth year, but the rate to offer is still under consideration, the source said, adding that the maturity would be 10 years.

He said the Finance Ministry had assigned Deputy Finance Minister Dr Suthee Singanah to clarify the necessity to make this additional borrowing from the domestic market.

He added that the main reason was that this fiscal year's revenue collection was likely to be greatly lower than earlier projected.

He said the Cabinet spent only about five minutes considering and approving the Finance Ministry's proposal.

He added that before the Finance Ministry proposed this issue to the Cabinet as an urgent case, Finance Minister Sommai Hoontrakul had convinced Prime Minister Prem Tinsulanonda of the seriousness of the revenue shortfall and the necessity of the additional loan to offset the shortfall.

The ministry has given assurance that the additional borrowing will not affect the Government's budget setting process in the following fiscal years as the maturity of the PNAs and bonds will be long enough to spread out the burden.

The ministry has also confirmed that the additional loan will not cause this fiscal year's total internal borrowing to exceed the limit allowed by law, which is equivalent to 54,000 million baht.

The source said the ministry originally planned to borrow 33,000 million baht from the domestic market, and when the new borrowing of 13,000 million baht is added, the total borrowing will be only 46,000 million baht, still below the limit.

Meanwhile, the ministry admitted that its revenue collection efficiency was still low and agreed to improve it.

When the revenue collection efficiency has been improved, the planned additional borrowing can be reduced, the source quoted the ministry as telling the Cabinet.

"The borrowing may also be lowered if the Government can make more income from the reduction in oil prices," the source added.

The ministry last month projected that the additional borrowing would be 17,000 million baht, which would make this fiscal year's total internal borrowing 50,000 million baht.

"But the reduction in oil prices has enabled the ministry to cut the additional borrowing to only 13,000 million baht," the source said.

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THAILAND

COMMERCIAL BANK PROBLEMS TO PERSIST

Bangkok BANGKOK POST in English 23 May 86 p 11

[Article by Choopong Maninoi]

[Text]

THE troubled situation commercial banks are in will not improve until next year at the earliest, Thai Bankers' Association president Chatri Soponpanich predicted.

Mr Chatri, also Bangkok Bank president, told *Bangkok Post* that the situation would deteriorate further if the banks have to contribute to the Rehabilitation and Development Fund at the rate of 0.1% of their deposits.

"As TBA president, I have been asking for a relaxation from the Bank of Thailand, urging them to postpone payment of the contribution until the difficult time for commercial banks has passed," he said.

He said commercial banks had been experiencing hardships because of excess liquidity and a sharp drop in incomes.

According to a recent report in the *Post*, most commercial banks' profits in the first quarter of this year had plunged by over 50%.

Mr Chatri said the situation would not improve and forewarn no signs that commercial banks would recover before the year-end.

Bangkok Bank itself experienced a massive fall of 53.89% in its profit during the first three

months of this year, from 436.914 million baht in January-March 1985 to 201.44 million baht.

Mr Chatri said he verbally asked the Bank of Thailand for a relaxation. "Although the TBA did not submit an official request to the central bank, I am confident that it will understand us. I believe that a relaxation is being worked out."

Mr Chatri noted that all commercial banks would be affected. "Bangkok Bank itself will have to contribute about 170 million baht, a very heavy burden on the bank which is already facing higher operational costs and lower profits."

He added that the bank's shareholders were also very concerned over the issue and questioned the bank whether the dividend payment would be affected.

He said he could not predict whether the dividend payment to shareholders would be cut, "but I have done my best for Bangkok Bank to cope with the situation."

It was reported that the net profit per share of Bangkok Bank's shareholders in the first quarter of this year dived by 59.63%, from 12.48 baht to 3.04 baht.

CONTRIBUTION

Mr Chatri admitted that the contribution from financial institutions to the Fund would benefit the stability of the financial institution system. "But the Government should consider whether this is the right time and whether commercial banks are healthy enough to afford the contribution," he commented.

If the Government really needs the contribution, it can be made in other forms, in ways which will help in reducing financial institutions' burdens.

"I used to recommend to Bank of Thailand Governor Kamchorn Sathirakul that instead of forcing a contribution from commercial banks, an investment should be a much better idea," he said.

In Mr Chatri's idea, whenever the central bank considers a commercial bank or a finance company in trouble, the central bank has to provide assistance to improve it. The central bank then can require each commercial bank and finance firm to take a share in the ailing company.

Currently, when a bank or a finance company needs help, the Fund will take over and uses the contribution fund.

"The result will be exactly the same. The ailing company will receive capital to improve its position. But for the paying banks or finance companies, it is very different, because for them the contribution to the Fund is a write-off. It is counted as an expense, while the purchase of equities in the troubled company will be counted as an asset," he said.

He added that his idea was rejected by the central bank, "But I will not give up, and I will try to negotiate with the central bank for a relaxation."

In an earlier interview with the Post, Mr Kamchorn had said the central bank had convinced commercial banks and financial companies of the necessity of the contribution.

Although the first contribution will be due on June 1, Mr Kamchorn said the central bank had allowed them to enter those payments as expenses in the second half of the year.

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THAILAND

CENTRAL BANK TO GET PARTIAL CONTROL OF LOCAL BANK

Bangkok BANGKOK POST in English 31 May 86 p 11

[Text]

THE Bank of Thailand, through the Rehabilitation and Development Fund, will take 25% control of First Bangkok City Bank.

Under the agreement between the Bank of Thailand and FBCB's board of directors, three business groups, which currently hold about 40% of the bank's shares, will sell a number of shares to the Rehabilitation and Development Fund at a price of five baht per share.

"This is aimed at enabling the Fund to have the rights to acquire the new shares to be issued soon," a central banking source said.

It was also agreed yesterday that 15 million special preferred shares, worth 1,500 million baht, will be issued within this year.

Existing shareholders of the bank will be given priority to subscribe to the preferred shares at the rate of 5 existing shares to 7 new preferred shares.

If the subscription is lower than the amount issued, the three new shareholder groups and the Fund will acquire the remaining amount.

The three groups are led by Jew Kung Ju, who has been represented by his son-in-law Charoen Binsomburanond and Li-Gen Nop Pinnakaw, Chinnavee Sarana and Palap-hat Kannasuta.

They have jointly taken over 40% of the shares of the bank from former president Kamron Techapibul.

Moreover, Mr Jew is reportedly holding another 10% of the bank's shares.

The three groups also have control of about 35% of the proxy shares in its hands.

However, the Fund has been assured that it would take control of at least 25% of FBCB after the issuance of the new preferred shares which will boost the bank's registered capital from 1,365 million baht to 2,865 million baht.

To make sure that the three new groups and the Fund are able to fully control the bank, the yet to be issued preferred shares will carry two special features.

The first one is that they will have a voting right four times the existing shares, which will mean that each preferred share will have the voting right equivalent to four existing ordinary shares.

The second feature is that each preferred share will carry a fixed rate of return. However, it has been agreed that the dividend will be suspended for the first 10 years from the date of issuance but will be accrued to the 11th year.

The source said that the Fund has set a maximum sum of 500 million baht to acquire the 25% votes from the bank,

while the three new shareholder groups have set a combined sum of 1,000 million baht.

The bank's board, currently chaired by former assistant governor of the Bank of Thailand, Supong Penchan, is expected to call a meeting next week to decide when to issue the preferred shares.

The agreement was reached yesterday after hours-long meeting between central bank officials, including Governor Kamchon Buthirakul, his deputy Chavalit Thanachanan, his assistant Pajal Kumalavivai, and Commercial Banks Supervision and Examination Department Director Dr Ekkamol Khiriwat, and FBCB executives, including chairman Supong, Mr Charoen, Li-Gen Nop, Hungchong sae Tang, Li Karoon Hemavej, and Prateep Vajjarangkura.

Meanwhile, Mr Kamchon expressed confidence that the agreement would help "rehabilitate FBCB". The entering of the three new groups would help FBCB expand its business base, he said.

Mr Charoen and Li-Gen Nop are key executives of the Sura Thip group of companies while Mr Chinnavee is related to the Tek Heng Yoo group of Oosthanugrah family.

"However, officials will closely take care of this bank," Mr Kamchon said.

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THAILAND

BANKS' PROBLEM LOANS, CENTRAL BANK INTERVENTION REPORTED

Bangkok BANGKOK POST in English 6 Jun 86 p 18

[Text]

A rather nasty story circulating in the cocktail circuit is drawing uncomfortable laughter lately.

An American executive waited for six months, at the Erawan Hotel, while the Board of Investment (BoI) processed his proposal. With enough time on his hands, he devoted a good part of his day to reading the local dailies. He read about the chit funds. He read about the boardroom wars in the commercial banks. He read alarming stories about problem loans and he read about the delays in implementing banking reforms.

Finally, a week or two before the anticipated approval of his project, he suddenly withdrew his application and headed home.

Back in New York, he explained his extreme reluctance to operate in the midst of an "unholy mess."

"All fiction," you might conclude. "Too harsh," you might add. Nevertheless, the point is brought out loud and clear.

For nearly fifteen months, the banking and finance sector has provided us with one shock after another. Just when you presume that the "worst is out in the open," another skeleton emerges from the cupboard.

From his comfortable ninth floor suite on Phaholyothin avenue, Thai Farmers Bank's Director and Senior Executive Vice-president Narong Sri Sa-an, saw it all coming long ago. "That's why we started to stress quality even at the expense of sacrificing growth," he said.

In his basement office on Wireless road, real estate tycoon Sura Chanarichawla does not display the same calm resignation. He claims that

"The situation is very serious — though not unmanageable — and banks are required to confront it with special measures."

Over at the Bank of Thailand, the mood is obviously uncompromising. The migration of senior executives to the commercial sector, which started on a soft note with Siam Bank, now threatens to become an exodus, nobody should be surprised if central bankers are found to be determining lending policies in four to six Thai commercial banks by the end of 1986.

"We Thais have a habit of putting everything unpleasant under the rug, far from the observant's eye," explained Pin Chakkaphak who is managing director of Yip in Tei Finance. "Moreover, when the grave nature of a problem demands urgency and discretion, too much dirty linen gets washed in public."

Sura complains that the unending publicity has "damaged my image and created doubts in the minds of my bankers and business associates."

Not everyone condones the methods employed by the central bank; that is no secret, it's executives, however, have other things to consider outside normal business etiquette.

JEOPARDY

Non-performing loans have placed certain banks in jeopardy. Finance companies have collapsed due to unchecked facilities to affiliates and friends. Given Thailand's business culture, the whole story may never be told.

Remedial measures have thus far absorbed an amazing amount of public funds.

Through his financial decrees, outgoing Finance Minister Sommai Hoontrakul wished to kill two birds with one stone. On the one hand, he saw the need for strong action against unprincipled lending. On the other, he intended to ensure that the financial system is never again held to ransom by a few people. Despite the recent setback, he still feels that the package of reforms will gain parliamentary approval after next month.

"One sincerely hopes that the reforms are passed; without them foreign banks are never going to feel comfortable with Thailand as a business proposition," said a European banker whose institution has been looking forward to establishing its presence here, in Bangkok.

Reforms apart, local marketmen feel that the issue of bad debts need to be faced more squarely than ever before.

"We must be able to define the root cause very lucidly," emphasises Pin Chakkaphak. In other words, call a spade a spade. Where default is a result of sluggish trading conditions, accommodations are in order, where the question is merely one of overall liquidity — and where ambition or foolhardiness has induced borrowings — stringent qualifications have to be applied when assessing credibility.

Narong Sri Sa-an is of the opinion that "business conditions are not too bad, and while accepting that borrowers face troubles, additional injections of working capital might be in order."

Sura places his group in this category. Siam Vidhya owes a staggering 2.5 billion baht to Krung Thai Bank's financial arm. Sura insists that the loan is secured by necessary collaterals. Furthermore, he argues that if his housing projects are given a chance to mature, his group will cash in about 4 billion baht within three years.

The central bank team is preoccupied with more basic considerations. Firstly, the prudence of funding one property developer to that extent. Secondly, in banking parlance, the debt is not being serviced. Finally, projections are projections, and in the absence of any immediate repayment possibilities they want to see a thorough restructuring not only of the outstanding loan itself but of the entire Siam Vidhya group.

Realistically, any solution will take its own course but the very fact that the dialogue has started is a welcome development. Sura's case is only one example. He is "satisfied with the way things are taking shape." In the coming months, similar discussions will have to be conducted with various groups. In the meantime, it is only fair that banks, finance companies and corporates extend their fullest cooperation to central bank officials.

As if to sound a note of warning to optimists, Pin Chakkaphak cautioned against applying western principles of acquisitions and mergers to local problems. He felt that "the civil and commercial code coupled with taxation laws is not conducive to this kind of corporate activity."

The market also has to live with the fact that wherever borrowed money has been diverted for other ends, harsh measures are necessary. "We need to come to grips with the issue and put it behind us once and for all; there is too much at stake," warned one banking source.

Stories of loans being allowed on the basis of personal and non-professional considerations are widespread throughout the banking sector. Earlier, directors took shelter behind the argument that, "It's my business, let me run it the way I think best."

However, when such businesses involve the general public's welfare — like 600 billion baht of deposits — private interests can only flourish within a social framework.

THAILAND

INCREASE IN TIN MINE CLOSURES REPORTED

Bangkok BANGKOK POST in English 14 Jun 86 p 11

[Text]

THE tin crisis is increasingly taking its toll on Thailand's tin mining industry. 274 tin mines, 46% of the country's 596 registered, have ceased operations, according to the April survey of the Department of Mineral Resources.

Of the 274 closed mines, 204 were forced to suspend operations by the slump in tin prices and 70 cited other reasons such as the need to restructure operations, machinery breakdowns and water shortages.

The numbers of closed mines surveyed in April by regions are: 306 in the South (46% of that region's total number of mines), 58 in the Central Plains (45%) and 10 in the North (30%).

As a result, DMR said, more than 4,000 workers were laid off.

More and more tin mines in Thailand and

neighbouring producing countries like Malaysia are forced to shut down by the tin crisis which erupted last October when the International Tin Council ran out of money to administer its price support scheme.

The tin price has fallen from about 20 ringgit per kilogramme in the pre-crisis period to around 14 ringgit at present.

The number of Thai tin mines decreased from 734 in 1983 to 629 last November and projections are that the number would drop further as the tin price is expected to remain depressed at least until the year-end.

Most Thai tin miners find the current price level of around 14-15 ringgit per kg unattractive as it is much lower than their production costs, averaging 18-20 ringgit, which explains the malaise of the Thai industry.

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THAILAND

PROGRESSIVE PARTY EFFORTS, POLICIES REVIEWED

Bangkok BANGKOK POST in English 4 Jun 86 p 7

[Interview with Uthai Pimchaichon by Nattaya Chetchotiros]

[Text]

THE 1983 general election saw what many political observers and politicians describe as the birth of a new type of political party, the Progressive Party, which seeks to give the people a choice over the more established political entities.

Although only three members of the Progressive Party made it to Parliament, namely, Uthai Pimchaichon in Chon Buri, Anand Chaisaeng in Chachoengsao and Kasem Butrkhunthong in Petchabun, a number of observers have called them, particularly Mr Uthai, the "new generation of politicians."

The party, although new and small, received the confidence of Parliament when Mr Uthai was given the honour of becoming House Speaker, a position he held until the dissolution of Parliament on May 1.

In the upcoming July 27 polls many political parties, including the giants, are said to be keeping a close eye on Mr Uthai and the Progressives, to see if the party has prospects of growing in popularity.

In an interview with the Bangkok Post recently, Mr Uthai, who will be campaigning again in Chon Buri, still views his party as a viable alternative for people who do not want the Democrat, the Prachakorn Thai or the Social Action Party.

And since the party is small, Mr Uthai said that the Progressives would be "coordinating" their efforts with another small party — the New Force Party — because in

many ways their thinking, principles and policies are similar.

"I don't think we can join together. But we will coordinate with each other in specific constituencies and areas in Bangkok.

"We believe that there are still other groups of voters who are trying to find a political alternative, especially those who are not supporters of the Democrats, SAP or Prachakorn Thai. They want a new choice," said Mr Uthai.

Since the Progressive Party is small and cannot afford to field candidates in all Bangkok constituencies "we have to see which other parties we can cooperate with," he added. "At present we find that the New Force has the same type of political ideas that we can go along with."

For example, said Mr Uthai, if the New Force has a good chance or strong support in a particular area, the Progressive would refrain from sending a candidate under its banner. Instead the party will make it clear to the voters that a vote for the New Force in that area is just as good as one for the Progressive.

"We will make joint announcements saying that those who want to vote for us can vote for the New Force instead of us."

Mr Uthai told the Post that he has reached an agreement with the leader of the New Force, Dr Prasarn Tanngai, adding that the move will give Bangkokians a "way out" if they do not want the Democrat, SAP or Prachakorn Thai.

"They (the people) will have someone in Parliament who can speak for them. No one loses. The party does not lose, only the people gain."

As far as coordination in the provinces is concerned, the Progressive Party will try to field as many candidates as possible.

Mr Uthai said that his party hopes to convince the people that there is an alternative by proposing significant changes. "We ask the people to compare what other parties which have come before us have done for them. If they are satisfied then they should vote for the more established parties. If not, they should vote for us."

Asked what policies the Progressive have that makes it different from the others, Mr Uthai said: "We have a policy of promoting democracy in the rural areas."

The Progressives think that like their Bangkok counterparts, people in rural areas should be allowed to pick their own governor. "These provincial people should be able to exercise this right," he said.

As far as the party's economic policies are concerned, Mr Uthai said that his party thinks the thrust of change should be made in the rural areas.

"Since we are an agricultural country, this is where the emphasis should lie," he maintained, adding that the Progressives are of the opinion that a rethink is needed for the country's irrigation programme.

"It is not that we don't have water, but we have not developed the capability to bring water to the needy areas."

The Progressives see that an improvement in all aspects of communications and transportation can help ease the country's unemployment problems. "We need to improve communications in all areas whether it be air, land, water or railway. This will make it easier to create employment," he said.

If the country's communications network is further improved, the hotel and tourism industry would benefit. "Changes need to be made as the Government is adopting a wrong policy as far as tourism is concerned."

The Government, said Mr Uthai, is only thinking of attracting tourists from overseas while greater efforts should be made to promote travelling within the country.

FOREIGNERS

The Progressives also think that foreigners should be given more privileges if foreign investment is to be given a shot in the arm.

"We need to give foreigners the right to buy property here. If they buy land or property here, it is their own. They will take care of it, develop it."

"In a way it is like getting someone to help look after our development. They will bring with them their experience and knowledge," he said, adding that at present Thailand wants foreign technology but at the same time it is obstructing the entry.

The Progressives also believe in the free trade system, and the Government should actively promote this. "The Government should not be involved in any way with the industries which should be left in the hands of the private sector. There should not be competition from the Government."

Mr Uthai said that businessmen and industrialists should be allowed to become members of agencies responsible for planning economic development such as the National Economic and Social Development Board (NESDB).

Asked to assess the political situation after the polls, Mr Uthai said he thought that the prospects for democracy after July 27 looked bright. "The result of the polls will indicate what type of political party will survive and what type will not make it. It is up to the people."

The fact that there are many new political parties will not have any effect on Thai democracy. "Democracy," he stressed, "will affect the political parties which are not sincere to the principle. They will disappear by themselves." He also said that Thais should stop being afraid of coup d'etat. "We should stop being afraid of ghosts in their coffins. There is nothing to fear."

Asked how he thought the election would turn out, the Progressive Party leader said he thought that four parties would get the majority of votes but that the next Government would be a coalition of three. "I don't think that there will be a government of many parties."

Mr Uthai refused to predict how the Progressive Party would fare on July 27: "This is something which should not be said at the moment as it would be an insult to the people. No one knows how the people will vote. But I am confident that the Progressive Party will continue to grow."

Mr Uthai reiterated the party's stand in supporting a premier who is an elected MP. "If the party which gains the most votes cannot form a government, I am willing to give that party all my votes freely without demanding political positions. All I ask is that they are willing to form a government."

As a matter of principle, the Progressives cannot agree to having a "neutral" premier such as Gen Prem. Although many were saying that Gen Prem should be the next prime minister, this was an old movie making a re-run, Mr Uthai said.

Asked what he thought about statements by certain political parties that they will support certain persons for premier, Mr Uthai said: "I think we should let the people decide."

Asked if he thinks the Progressives will play a crucial role in the formation of the next government, Mr Uthai said that he has never thought the party as playing such a role, even in the last Parliament. He emphasised, however, that what is significant is that the party, although small, has gained the confidence of Parliament whereby its members were given politically important posts.

Asked how he felt when Mr Anand announced that he would now run with the Democrats, Mr Uthai said: "You cannot force how a person thinks. We have no conflict. Everything is now up to the people."

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THAILAND

MASS PARTY CHIEF CHALERM ON PROSPECTS

Bangkok BANGKOK POST in English 2 Jun 86 p 4

[Interview with Pol Capt Chalerm Yubamroong by Surapol Tourn-Ngern]

[Text]

IN 1981, Pol Capt Chalerm Yubamroong, a police officer of the Crime Suppression Division, was one of the 16 police officers dismissed by the Police Department for their alleged involvement in the April Fool's Day abortive coup.

Even though he was exonerated in a pardon initiated by the Government, he was later sacked along with other three police officers by the Interior Ministry for being guilty of breaching civil service regulations.

His first attempt to enter politics by standing in a by-election in Bangkok Constituency 10 in 1981, was a failure.

But in the 1983 general election, Capt Chalerm, who ran under Democrat Party banner, turned out an unexpected triumph when he scored 44,274 votes in Constituency 12 — the highest of all 36 elected MPs in Bangkok.

In 1984, several military officers urged Prime Minister Prem Tinsulanonda to extend the term of Supreme Commander and Army Chief Gen Arhit Kamlang-ek for another year.

The Democrats publicly opposed the move and for the first time, Capt Chalerm spoke out against the party saying that the Democrats should allow Gen Prem to decide first.

Capt Chalerm also said that the Democrats' stand on the issue had put it on a collision course with the military.

In June 1985, Capt Chalerm left the Democrats and formed his own party, Muan Chon (Mass Party) which is composed of young and energetic members and other dissidents like himself.

In an interview with the Bangkok Post, Capt Chalerm said at the time it registered with the Interior Ministry, Muan Chon had about 8,000 members. This has grown to about 20,000 today.

"Since we are a new and small party, it is not very difficult to organise our campaign in this election although our plans were geared for a 1987 general election.

"But because we are prepared, we are in good shape for July 27," he said.

According to Capt Chalerm, who is also the party's secretary-general, the Muan Chon Party will field about 185 candidates in 43 provinces. About 104 candidates have been announced since last week while the final list of remaining candidates will be ready by June 8.

Capt Chalerm admitted to the Post that since the dissolution of Parliament on May 1, the party had faced difficulties as far as getting candidates to run.

A number had said they would run with the party, he said, but changed their minds after being urged to switch sides by other political parties.

"That's why we extended the final date of announcement of our candidates," he said.

Capt Chalerm guaranteed, however, that the party "will have enough and right persons" for the polls.

In Bangkok the party will field 80 candidates in only five of the 12 constituencies "due to political reasons."

Asked what these political reasons were, Capt Chalerm said that this was because the party "wants to see the defeat of the Democrats."

He said the party would not contest in areas where it is evident that the party does not have enough support.

"For instance, in Phya Thai, Bang Kapi and Bang Khen areas our party may have about 10,000 people who would vote for us in each of these areas which is clearly not enough to win.

"People who would vote for Muan Chon have a similar attitude or feeling as those who vote for Prachakorn Thai," he said, adding that the bottom line is that they will not vote for the Democrats.

Instead of fielding candidates in areas where they are unlikely to win and thus split the vote, the Mass Party will not run so that those who would have voted for the party, would instead vote for Prachakorn Thai.

"If we run in these areas we would split the vote (against the Democrats) and they would have a good time," Capt Chalerm said.

"Why don't we stay out and let those 10,000 people vote for Prachakorn Thai to beat the Democrats."

Capt Chalerm added that this did not mean that there is already an agreement between his party and Prachakorn Thai. "It is just a political understanding," he said.

The party, he said, intends to hold about 75 campaign rallies nationwide, starting in Bangkok at Sanam Chai on June 12.

"Since the Government will allow the parties to speak on television, I will do so on behalf of the party," he said.

Capt Chalerm thinks that being a party which does not support the present government is a distinct advantage as the people are tired of the present government which has not been able to ease the country's economic problems.

Leading the candidates' team in Constituency One of Dusit District are former Bangkok Governor Dhamasoon Thean-Ngern and Dr Opas Thamawanich, former Democrat Party member, while Capt Chalerm himself will run in Bangkok Constituency 12 with Chingchai Thopradit and Lt-Gen Samun Lukasearane.

According to Capt Chalerm, the party expects to gain strong support in Payao, Lamphun, Buri Ram, Sakon Nakhon, Nakhon Phanom, Sing Buri, Chainat, Kancharaburi and Chumphon provinces and the five constituencies of Bangkok.

"The party expects to gain MP seats in the Thon Buri area and some provinces in the Northeast such as Buri Ram and Nakhon Phanom," he said.

"We will spend all our energy and power to win in these areas."

Asked how much money the party would spend in the July 27 election, Chalerm said the party expects to spend up to eight million baht.

"Because the party will not field candidates in all provinces but only in certain constituencies, we will not spend much money. Some party members who are rich and can support the party have donated 30,000 to 50,000 baht for the party's campaign," he said.

Asked to comment on the party's relationship with Boontheng Thongsawadi's Saha Prachatipattai, Capt Chalerm said:

"For Khun Boontheng, our party has the same principle as he does in opposing the Government of Gen Prem over the nine government bills one of which was defeated and resulted in the dissolution of Parliament."

Asked if there was any possibility for the party to join ranks with

any other party on certain political issues, the Capt Chalerm said he was willing to merge with any party (like Saha Prachatipatsi) to block Gen Prem from becoming the next Premier.

He added, however, that Muan Chon's political target was to become the Opposition.

The reason for this attitude, he said is "because we know that no single party will gain a majority of seats to form the next Government.

"Our party is small and therefore we prefer to perform as the Opposition."

However if the party is approached to become part of a coalition government, it would accept — if Gen Prem is not the Premier, he said.

"Our party has no conflict with Prime Minister Prem. I believe in his honesty but he does not have the leadership qualities to manage the country.

"This will be one of our main campaign points, that is, to let the people know that the party will not support Gen Prem," Capt Chalerm said.

The Muan Chon Party will put up signs throughout the City and provinces opposing Gen Prem as Premier, he said.

One of the signs in front of the party's headquarters clearly demonstrates Muan Chon's stand: "If you want Gen Prem Tinasulanonda to become Prime Minister, vote for the Democrat Party. If you don't want Gen Prem, vote for Muan Chon."

Asked who Muan Chon would support for premiership, Capt Chalerm said his party favoured M.R. Kukrit Pramoj, Opposition leader Maj-Gen Pramarn Adireksarn or even Supreme Commander Gen Arthit Kamlang-ek.

Capt Chalerm commented that if Gen Arthit wanted to enter politics the party would support him.

Muan Chon does not want to involve him (Gen Arthit) in politics because he is still in the military service.

"But if a group of parties wanting to form a government wants Gen Arthit to become the prime minister, Muan Chon would join them," he said.

As far as the military is concerned, Capt Chalerm said that the party's policy is "not to be the enemy of the the military but at the same time the party will not be a puppet of the military."

Talking about what the party's policies can do for the people, Capt Chalerm said Muan Chon hopes to achieve different things for people in various regions of the country.

"If you look at the policies of all the parties registered at the Interior Ministry, 90 per cent of the policies are about the same," he said.

But Muan Chon's policy will differ for people in various regions of the country. This comes from the belief that the needs of people in the regions of the country are not the same.

"In the Central region we will endeavour to improve the irrigation system so that there will be plentiful water resources for farming," Capt Chalerm said.

"The party will also develop communications. In the surrounding provinces of Bangkok, roads exist but they are not in good condition. There are not enough buses running in these areas.

"We will also try to find areas where people can sell their farm products for those in the surrounding provinces," he said. In fact, once elected, the party would be ready to start this project, he said.

For the North, the party thinks there should be an improvement in the marketing of farm products, and will also solve the crime problem by using stern measures.

In the Northeast, Capt Chalerm said, Muan Chon would use all measures to improve the water resources of the region so that farmers will have water all year round. "This is the most urgent matter in this region."

The second is to improve the labour problem. The party thinks there should not be private job placement agencies for overseas labourers because "there are so many of these companies that cheat the people."

He said the Government is taking action to curb these types of agencies but the people who are cheated never get their money back.

The Government should set up a Labour Ministry whose job would also be to find the right labour market for qualified Thai workers in the provinces. The income gained from these workers would help solve the problems of deficit

and unemployment and lessen the crime rate, Capt Chalerm said.

The Government would also gain money by collecting appropriate taxes from these labourers.

In the South, maintenance of peace and security is one of the main aims of the party because it is an area where problems occur, he said.

Another main policy of the party is the eradication of unfair tax collection on small businesses and to improve tax collection methods.

One way in which the party thinks taxes could be better collected, would be to explain to the people clearly what benefits they get from the Government by paying taxes.

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CSO: 4200/1170

THAILAND

GENERAL DISCUSSES CAMPAIGN AGAINST COMMUNISTS IN SOUTH

BK170159 Bangkok BANGKOK POST in English 17 Jun 86 p 1

[Excerpts] Betong—One soldier was killed and two seriously injured in a landmine explosion during a clash with communist insurgents yesterday.

Combined task force deputy commander Colonel Chuphan Trachu said the three soldiers were part of a two-company force assigned to capture a Communist Party of Malaya (CPM) base about 16 kilometers west of Betong.

Operations against CPM guerrillas have been going on since May 20. So far, only small satellite camps have been destroyed.

Fourth Army Commander Lieutenant General Wanchai Chitchamnong said yesterday that troops have destroyed 13 CPM camps in the "Taksin-292" operation in three districts of Yala Province.

Lt-Gen Wanchai said three task forces operating from Pattani were concentrating on Yaha, Thanto and Betong districts. Since May 21, 13 CPM camps comprising 278 living quarters and two work areas have been destroyed.

Lt-Gen Wanchai said there had been 12 clashes with insurgents during the operation in which eight mines had been exploded. Two troopers have been killed and of the 15 wounded, 11 sustained serious injuries.

He said a 700,000-baht budget has been used to build an eight-kilometer road in Betong District into the CPM Area 2 and a 10-kilometer road from Ban Pa Kheng to Ban Wang Sai in the CPM's Special HQ Area.

In addition, two strategic villages have been set up in Thanto District, he said.

/12858
CSO: 4200/1144

THAILAND

BRIEFS

CHAWALIT ALLOWS INTERVIEWS--Commanders of army units at regiment level can from now on give press interviews without seeking prior permission from their superiors, a senior army official said yesterday. He said the permission was given by Army Commander-in-Chief General Chawalit Yongchaiyut during his meeting with senior army officials yesterday. Major General Narodon Detpradiyut, the army secretary, said the reason was to allow army officers to give accurate and updated information to the mass media. Former Army Commander-in-Chief General Athit Kamlangek had imposed a ban on press interviews by army officers unless they obtained advance permission from their superiors. Chawalit yesterday told reporters that he had objected to his appointment as director of the anticommunist committee. The committee has wide powers in supervising communist insurgency suppression nationwide. Chawalit said he had asked Supreme Commander General Athit Kamlang-ek to continue holding the post or hand it over by Premier Prem Tinsulanon. [Text] [Bangkok THE NATION in English 6 Jun 86 p 2 BK] /12858

ROCKETS, AMMUNITION SEIZED--Bangkok, 6 June (AFP)--Police have seized a large amount of ammunition and rockets believed to belong to remnants of China's nationalist forces and arrested a truck driver in northern Thailand, police said Friday. Police said they seized about 20,000 rounds of automatic rifle ammunition and 55 rockets Thursday from the truck on a highway in Chiang Mai Province, 700 kilometers (420 miles) north of here. The arrested driver, Bunta Panyabua, told police he was hired by Kuomintang (KMT) nationalists to transport the ammunition from Mae Hong Son Province, near the Thai-Burmese border, to their bastion in a district of Chiang Mai. The KMT settlers fled Yunnan after the Chinese communists' victory in 1949. About 13,000 KMT troops and their families are thought to be living in settlements set up in sensitive areas of Chiang Mai, Mae Hong Son and the northernmost province of Chiang Rai. According to western narcotics officials, some of the settlers have been key actors in regional narcotics trade, as well as refining opium from the region's notorious Golden Triangle into heroin. [Text] [Hong Kong AFP in English 0356 GMT 6 Jun 86 BK] /12858

STUDENTS PROTEST U.S. DRUG PROPOSAL--About 70 students from five universities yesterday staged a protest march against a U.S. proposal which would permit the sale of drugs in Third World countries which have not met the criteria of the U.S. Food and Drug Administration for sale in that country. The students asked the Thai Government to adopt measures which would protect

local consumers from such drugs. Several of the protesters carried posters in the parade which began at 10:00 am from Chulalongkorn University and ended at the Victory Monument where they set up an exhibit. They said they were concerned that the Hatch Bill would offend human rights if approved by the U.S. Congress. They said that medicines which cannot be prescribed in the U.S. should not be permitted in other countries. The students asked the authorities concerned to prohibit such medicines in Thailand if the bill is approved. They will gather at the Victory Monument today and march to Sanam Luang to set up their exhibit there. [Text] [Bangkok BANGKOK POST in English 8 Jun 86 p 1 BK] /12858

FIFTEEN LAOTIANS ARRESTED--Loei--Fifteen Laotians were arrested yesterday for illegally entering the country with the help of Thai citizens. Muang District police said they found the Laotians hiding in a tapioca factory in nearby Chiang Khan District. Police said that the Laotians, consisting of two families, slipped into Thailand via Tambon Nong Sua of Tha Li District with the help of Thai citizens. They were taken into hiding, police said, and were waiting for United Nations officials to pick them up and take them to Na Pho refugee camp in Nakhon Phanom Province. Police said the Laotians were residents of Luang Prabang Province who had contacted a group of Thais to arrange for their admission to the refugee camp before moving to a third country. The Laotians told police they paid 25,000 baht per family for the Thais to arrange for their entry into the country. Police said that investigations are in progress and that they expect to arrest the persons involved in assisting the Laotians soon. [Text] [Bangkok BANGKOK POST in English 8 Jun 86 p 3 BK] /12858

HANDBILL DISTRIBUTORS PROBED--Supreme Commander General Athit Kanlang-ek said yesterday he had asked the Special Branch police to investigate the distribution of leaflets attacking him. Without elaborating on the leaflets, Gen Athit said the Special Branch has been asked to take tough measures against the persons who distributed them. "The persons who issued them had an intention to create disunity in the country at the time when unity is needed most," Gen Athit said. [Text] [Bangkok BANGKOK POST in English 16 Jun 86 p 3 BK] /12858

CSO: 4200/1144

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

HA TUYEN RED CROSS MEETING CONDEMNS PRC SHELLING

BK171218 Hanoi International Service in English 1000 GMT 17 Jun 86

[Text] In May 1986 Chinese troops fired nearly 70,000 artillery and mortar rounds on many areas in Vi Xuyen District of the northern Vietnamese border province of Ha Tuyen. The most serious case was on 1 June, in only 7 seconds, Chinese troops fired 16 artillery shells on the primary school of Quyet Tien in Quan Ba District, Ha Tuyen Province, where the school pupils were celebrating the International Children's Day. The shelling killed two pupils on the spot and wounded many teachers and five other pupils. This brutal act of China caused a strong wave of indignation among the Vietnamese people.

The Red Cross of Ha Tuyen Province, teachers and pupils in the locality held a meeting to condemn this criminal act of the Chinese ruling circle. They emphasized that the killing of pupils is inhuman.

The Ministry of Education and the Vietnam Education Trade Union last Saturday issued a statement condemning this Chinese shelling. The statement called on educators, scientists, artists, and all people of conscience in the world to strongly condemn the brutal crime of the Chinese authorities so as to stop the repetition of such crimes and to ensure that the future generations will be able to study in peace and happiness.

/12232

CSO: 4200/1150

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

HANOI VIEWS CAMBODIAN WORKERS, VILLAGERS

NK171003 Hanoi Domestic Service in Vietnamese 1400 GMT 16 Jun 86

[Station correspondent Khanh Toan's report on Cambodia]

[Text] Comrade (Cham An), head of the Training and Propaganda Committee of Phnom Penh Municipal Youth Union, is still very young, alert, and dynamic. He said: Come among the workers in the factories and among the gardeners in the Phnom Penh suburbs and you will see clearly how determined the people of Phnom Penh are to protect the new regime and life.

He did just as he said. Following the main (Panani) road through Phnom Penh, Comrade (Cham An) led us to the area of the railway station, the railway repair shops, the textile plant, power plants Nos 1 and 3, and the Phnom Penh soft drink factory. In each of these production installations, we could see clearly how marvelously the workers were attached to their factories and weapons.

Comrade (Gayson), director of the soft drink factory, pointed to the chart showing first quarter production norms for 1985 and 1986 hanging parallel to maps of defense projects for the factory and said: We consider both the production and defense tasks equally important. Although the genocidal clique was defeated, it has not relinquished its schemes for sabotaging us. If we do not remain vigilant, the enemy will poke its head in, and if we do not produce well we will not help strengthen the city.

The figures on the charts corroborate the director's statement. In 1985, the factory produced 6.2 million bottles of soft drinks and soda and 33,000 metric tons of ice. The factory has overfulfilled its 1986 first quarter plan norm with 7.2 million bottles of soft drinks and 8,100 metric tons of ice.

The effort displayed by the 270 workers in the factory to fulfill the production plan is cause for joy. Nevertheless, even more significant is the workers having been rotated to the border defense line while fulfilling their production tasks in the factory. The workers themselves have also defended the factory day and night so that the factory never stops operating.

The factory's deputy director, (Phan Buchhoean), and its trade union secretary, (Son Li), enthusiastically told us a beautiful story about the workers' going to the border in the last dry season. Those who set out to the border and those who remained in the factory shook hands in a send-off ceremony filled by great expectations.

Arriving at the border, the factory workers were happy to see that their products had reached their compatriots who are building the border defense line. They wrote to propose that the factory produce even more because the people along the border need more refreshment in the burning dry season.

The factory workers agreed and produced another 20,000 bottles and asked the factory representatives at the border to accept additional work and coordinate with Phnom Penh to expedite the work at the border. Two months later, the factory workers returned from the border with great news: The border project site management had sent a letter to commend the factory for having rotated its workers to the border on time and for the workers' high productivity.

The factory management also announced a production volume and a defense project that had been recently completed by the factory after 2 months of work.

Although busy with production work, the 55 riflemen and 100 or more workers of the factory have completed a moat around the factory, finished the military training program and coordinated with the militiamen of (Prah Chamray) city ward to defend the factory both inside and outside.

This story about the soft drink factory resembles those of other industrial installations in Phnom Penh that we have visited. Although they are assigned different tasks, they are of one mind that the enemy has not relinquished its plots of sabotage against the Cambodian revolution. Consequently, all workers have looked to the border and primary production installations. While engaging in production, they remain constantly combat ready everywhere and under all circumstances.

One afternoon, in the suburban village of (Sampeou) of Veun Sai District, while sitting and working on the bank of the Mekong River, I asked the village head, (Bich Sipphan): What has changed the most in (Sampeou) in the past 7 years?

Headman (Bich Sipphan) pointed to the blackboard listing the genocidal clique's crimes and explained that the life in (Sampeou) has become 10 times better. (Sampeou) village now has nearly 7,000 people in some 1,200 families. Although the figure of 8,500 people killed by Pol Pot is still carved deeply into all people's minds, (Sampeou) now is bustling with weaving looms and motorized boats rumbling in the rivers.

The village now has 60 young men in the revolutionary army. Some 40 others will be inducted in the coming days of the New Year festival. In the past 3 phases of sending workers to the border, some 2,000 people have been involved and subsequently returned to the village. The villagers have also sent some 10,000 riels worth of goods to their children stationed along the border.

Walking along the river on a windy evening, headman (Bich Sipphan) was elated at the many changes in his village. He praised the villagers for their loyalty to the revolution. He exuded joy over the cozy life in a beautiful little house under the shade of the sugar palm trees with his young wife, who is working for a band at the Phnom Penh television station.

The Pol Pot remnant troops once threatened to kill him. However, he continues to lead the revolutionary movement in (Sampeou). The revolutionary movement has advanced, definitely suppressed the enemy, and attracted enemy troops back to their families and native places.

Standing on the bank of the river, headman (Bich Siphon) talked about the growth of the village: [Begin recording Cambodian fading into Vietnamese translation] (Sampeou) can be said to be a model village in the suburban districts of Phnom Penh in the implementation of the three revolutionary movements set by the KPRP. It is like the (Chnam Chamray) city ward that we have visited. Although a model, its performance is rated only 20 percent higher than that of the 70 other villages and city wards. [end recording]

These days, flowers are blooming all over in Phnom Penh. The violet blossoms under a sunny sky bring to my mind the faces of the people of Phnom Penh, who are stoutly loyal to the revolution. Although there are still many difficulties and devilish plots ahead, the self-reliant people of Phnom Penh are calmly advancing in the victorious position of their entire country, which is improving with each passing day.

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CSO: 4209/618

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

MOZAMBIQUE LEADER GREETED ON NATIONAL DAY

OW241600 Hanoi VNA in English 1505 GMT 24 Jun 86

[Text] Hanoi, VNA, June 24--Vietnamese leaders today extended their warmest greetings to Samora Moises Machel, president of the Frelimo Party and of the People's Republic of Mozambique, on his country's 11th Independence Day (June 25).

The congratulatory message, jointly signed by party General Secretary Le Duan, president of the State Council Truong Chinh, and chairman of the Council of Ministers Pham Van Dong, and chairman of the National Assembly Nguyen Huu Tho, says:

"Under the leadership of the Frelimo Party headed by you the Mozambique people have over the past years overcome difficulties and trials, recording important achievements in their national construction and defence.

"The Vietnamese people greatly rejoice at these achievements and reiterate their solidarity with and strong support for the Mozambique people's just struggle to consolidate national independence and make Mozambique a prosperous country."

The message expresses the confidence that the Mozambique people, with the support of socialist countries and other peace and progressive forces in Africa and the world as a whole, will successfully carry out the resolutions of 4th Frelimo Party Congress. It wishes the solidarity and fraternal cooperation between Vietnam and Mozambique further consolidation and development.

Vietnamese Foreign Minister Nguyen Co Thach has on this occasion sent a message of greetings to his Mozambique counterpart, Joaquim Alberto Chissano

/8918

CSO: 4200/1162

INTEPNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

SRV-MONGOLIA TIES ANNIVERSARY HAILED

OW251722 Hanoi VNA in English 1459 GMT 25 Jun 86

[Text] Hanoi, VNA, June 25--NHAN DAN in an article today warmly hails the fine development of the relations between Vietnam and Mongolia on the occasion of the 25th anniversary of the signing of the Vietnam-Mongolia Treaty of Friendship and Cooperation (June 25).

The people (?says):

"With that historical treaty, the Vietnamese and Mongolian peoples have closely united in the struggle against all forces of aggression to safeguard their independence, sovereignty and socialist construction and contribute to strengthening the socialist community and to the struggle for peace in Asia and the rest of the world."

The relationship between Vietnam and Mongolia, the paper notes, has been further promoted through the Vietnam visit by Comrade J. Batmonh in December 1979 and the visit to Mongolia by Comrade Truong Chinh in 1984.

The paper recalls Mongolia's assistance to Vietnam in stockbreeding and agriculture, adding that the two countries have also promoted their scientific and technical cooperation, especially in traditional medicine.

"The recent 19th congress of the people's Revolutionary Party of Mongolia reaffirmed Mongolia's consistent support to the Vietnamese people in their socialist construction and national defence. It also voiced full support for the peace initiatives of the three Indochinese countries aimed at making southeast Asia a region of peace, stability, friendship and cooperation. The Vietnamese people will forever remember the fine feelings and valuable support of the Mongolian party, government and people towards their revolutionary cause," the paper says in conclusion.

/8918

CSO: 4200/1162

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

CAMBODIAN MILITARY ATTACHE RECEPTION--Hanoi, VNA, June 20--Kampuchean military attache to Vietnam Hing Lang offered a reception here yesterday in honour of the 35th tradition day of the Kampuchean people's revolutionary army (June 19). Present on this occasion were Gen Le Trong Tan, member of the Communist Party of Vietnam Central Committee, vice minister of defence and commander-in-chief of the Vietnam People's Army, [incomplete sentence as received]. Kampuchean Ambassador Tep Henn was also on hand. In his address, Hing Lang recalled the constant development of the Kampuchean revolutionary armed forces over the past 30 years, and especially the victories recorded by the Kampuchean people and army over the past 7 years since January 1979. He stressed that the Kampuchean Army and people, with the heartfelt assistance of the Vietnamese Army volunteers, would smash all frenzied schemes and actions of the polpotist and other Khmer reactionaries, and the Beijing ruling circle in collusion with the U.S. imperialists and the Thai ultra-rightist authorities. In his welcoming speech, Gen Le Trong Tan praised the splendid exploits and rapid growth of the Kampuchean people's revolutionary army in the recent years and the special militant solidarity between Vietnam and Kampuchea in their decades-long struggle against the common enemies. Toasts were raised to the special friendship and militant alliance between the Vietnamese and Kampuchean peoples and armies. [Text] [Hanoi VNA in English 0704 GMT 20 Jun 86 OW] /8918

VAN TIEN DUNG PRK PERFORMANCE--Hanoi, VNA, June 21--An art evening was sponsored in Phnom Penh on Wednesday by the Kampuchean Army Art Troupe with the participation of visiting army art troupes from Vietnam and Laos in celebration of the 35th tradition day of the people's revolutionary armed forces of Kampuchea. The performance was attended, among others, by Bouthang, Kampuchean minister of defence; Gen Van Tien Dung, minister of defence and head of a visiting Vietnamese military delegation, and Gen Khamtay Siphandon, minister of defence and head of a visiting Lao military delegation. Also present were military delegations from the Soviet Union and Cuba on a visit to Kampuchea. On this occasion, the art troupes of the 5th and 7th military zones of Vietnam made performance tours of the northeastern and southern provinces of Kampuchea. [Text] [Hanoi VNA in English 1517 GMT 21 Jun 86 OW] /8918

PRK ENVOY'S COMMENTS--Hanoi, VNA, June 22--A talk on the People's Revolutionary Party of Kampuchea (PRPK) and the current situation in Kampuchea was held here Friday by the Hanoi party committee to mark the coming 35th anniversary of the PRPK (June 28). The speaker, Kampuchean ambassador to Vietnam Tep Henn

recalled the historical conditions of the foundation of the PRPK which is an outgrowth of the Communist Party of Indochina founded by President Ho Chi Minh. He stressed the role of the PRPK as leader of the Kampuchean people in the liberation of the nation from the sanguinary Pol Pot clique. He said that the great achievements of the Kampuchean revolution are inseparable from the PRPK leadership and from the special militant solidarity and friendship among Vietnam, Kampuchea and Laos. [Text] [Hanoi VNA in English 1523 GMT 22 Jun 86 OW] /8918

ENVOY'S CONDEMNATION OF APARTHEID--Hanoi, VNA, June 23--At the international conference on sanctions against the South African authorities held in Paris from June 16-20, Ambassador Ha Van Lau, head of the Vietnamese delegation, said the South African apartheid is a crime against mankind and a threat to peace and security not only in the southern part of Africa. He denounced Pretoria's brutal policy against the South African people and its policy of aggression against Zimbabwe, Zambia, Botswana and Angola, and condemned the United States and other Western powers for their support to Pretoria. Ha Van Lau reaffirmed Vietnam's full support for the struggle of the peoples of South Africa, Namibia and the frontline countries aimed at abolishing the apartheid system. The ambassador called for stronger international solidarity with the South African people in face of the emergency situation caused by the Pretoria regime and for tough sanctions against South Africa, including the severing of all relations with it. [Text] [Hanoi VNA in English 1457 GMT 23 Jun 86 OW] /8918

ITALIAN ENVOY FAREWELL--Hanoi, VNA, June 21--Italian Ambassador Iodovico Masetti today paid a farewell visit to Nguyen Huu Tho, chairman of the National Assembly and vice-president of the State Council, before his departure here for home for a new assignment. Chairman Nguyen Huu Tho had a cordial talk with the Italian diplomat. [Text] [Hanoi VNA in English 1514 GMT 21 Jun 86 OW] /8918

COOPERATION ACCORD WITH MPR MINISTRY--Hanoi, VNA, June 21--An agreement on cooperation between the Vietnamese and Mongolian foreign ministries for the 1986-90 period was signed in Ulaanbaatar on June 20. Signatories were Vietnamese ambassador to Mongolia Tran Trung and Mongolian vice-minister of foreign affairs K. Oudava. [Text] [Hanoi VNA in English 1524 GMT 21 Jun 86 OW] /8918

PRK DEFENSE MINISTER VISIT--Hanoi, VNA, June 20--Kampuchean Defence Minister Bou Thong received in Phnom Penh Wednesday Vietnamese Defence Minister Gen Van Tien Dung and his party on a visit to Kampuchea. Bou Thong handed Gen Van Tien Dung a picture and a badge commemorating 35 years of the people's revolutionary army of Kampuchea. For his part, Gen Van Tien Dung presented the Kampuchean Army with a banner portraying President Ho Chi Minh and Comrade Achar Mean (Son Ngoc Minh) one of the founders of the Marxist-Leninist Party of Kampuchea. The same day the delegation laid wreaths at the monument to Kampuchean fallen combatants and the monument to Vietnamese internationalists in the heart of the city. [Text] [Hanoi VNA in English 1452 GMT 20 Jun 86 OW] /8918

CUBAN CONSTRUCTION DELEGATION VISITS--At the invitation of the CPV Central Committee's Industry Department, a delegation of the Communist Party of Cuba Central Committee's Construction Department led by Comrade (Nora Fernandez Roberedor) visited our country from 9-19 June 1986. During its stay in our country, the delegation visited President Ho Chi Minh mausoleum and held working sessions with the CPV Central Committee's Industry Department, the State Capital Construction Commission, the Ministry of Building, and a number of localities. The delegation also visited a number of project sites, state farms, and construction materials manufacturing establishments. The delegation was received by Comrade Nguyen Lam, secretary of the CPV Central Committee, on 18 June. Also present at the reception were Comrade (Tran Duyet), deputy head of the CPV Central Committee's Industry Department; and Comrade (Toro Predermand), charge d'affaires of the Republic of Cuba in Vietnam. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 19 Jun 86 BK] /8918

INDIAN HEALTH CARE DELEGATION--Hanoi VNA 20 June--A delegation of the Ministry of Health and Family Welfare of India led by its minister Mrs Mohsina Kidwai left here today after a week-long visit to Vietnam as guests of the Ministry of Public Health. While here, the delegation paid tribute to President Ho Chi Minh at his mausoleum. In working sessions with officials of the host ministry, the two sides informed each other of the healthcare development in their respective countries. The guests appreciated highly Vietnam's efforts in public health, especially its achievements in traditional medicine and acupuncture. The two sides expressed their desire to further develop cooperation in health care. An agreement to this effect was later signed. In Hanoi, Ho Chi Minh City and the Vung Tau-Con Dao Special Sector, and called at the offices of the Vietnam-India Friendship Association and the Vietnam Women's Union. [sentence as received] They were received here yesterday by Chairman of the Council of Ministers Pham Van Dong. Also present on this occasion were Minister of Public Health Dang Hoi Xuan and Indian Ambassador to Vietnam Pushkar Johari. [Text] [Hanoi VNA in English 0708 GMT 20 Jun 86 OW] /12232

JAPANESE RED CROSS DELEGATION--Hanoi VNA 20 June--A delegation of the Japanese Red Cross [JRC], led by Tadatoru Konoe, deputy head of the foreign relations section of the JRC, visited Ho Chi Minh City from 12 June to 19 June 1986. While in Vietnam, the Japanese physicians together with Vietnamese physicians studied and conducted research into medical methods for the treatment of patients victimized by "Agent Orange" toxic chemicals dropped by the United States in the Vietnam War. The Japanese delegation brought to the city medicines and medical equipment to join their colleagues at the Tu Du Hospital in giving special treatment to two Siamese twins brothers joined at the legs. In the past 6 years, the twins have been placed under the care of the Viet-Duc Hospital in Hanoi, the Tu Du Hospital in Ho Chi Minh City, and the Japanese Medical Service, one of them is currently seriously ill. With the consent of the authorities of the two countries, the Japanese Red Cross took the twins to Japan for treatment. [Text] [Hanoi VNA in English 0730 GMT 20 Jun 86 OW] /12232

FIRST LAO CLASS IN QUANG NAM-DANANG--The Vietnam-Laos Friendship Association in Quang Nam-Danang Province recently opened the first Lao language class. Some 36 cadres from various friendship association detachments and agencies and factories in the province have attended the class. Cadres from Binh Tri Thien Province have also attended the class. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 23 Jun 86 BK] /8918

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

HISTORIAN EXPLORES QUESTION OF VIETNAMIZATION OF INDOCHINA

Paris POLITIQUE INTERNATIONALE in French Spring 1986 pp 241-253

[Article by Thai Quang Trung, jurist, historian, and author, among other publications, of "Facionalism and Collective Leadership," Ed. ISEAS-Singapore, 1985]

[Text] The Cambodian crisis is at a total impasse, for it is now clear that Hanoi wishes less a negotiated solution than a military victory in Cambodia. Moreover, since the Vietnamese offensive of the 1984-1985 dry season, the relation of the forces in the field has developed very much to the advantage of the occupiers, who are continuing their program of Vietnamizing the country. The United Nations General Assembly vote, largely favorable to the Coalition Government of Democratic Kampuchea, has not made up for the fall of the Khmer resistance bases in the national territory. (Footnote 1) (During the 1984-1985 dry season, Vietnamese troops launched the greatest military offensive since the invasion of Cambodia and dislodged all Khmer resistance bases from Cambodian territory.) While these tragic events are taking place in the field, some ASEAN diplomats are working out pathetic formulas to unite all parties concerned. As is the custom each year, in order to raise the morale of the Khmer leaders, the Chinese leaders are reaffirming their will to help the resistance "for another hundred years, if necessary."

There is no doubt that Cambodia has become a real headache for the ASEAN countries, as well as for their American and Chinese allies. In spite of diplomatic pressures, the economic blockade, Chinese military threats and Khmer resistance, Hanoi refuses to budge an inch. The reasons for this intransigence are often badly interpreted. Diplomatic circles remain captivated by Hanoi's apparently positive rhetoric. Even more serious: Neither the nature of the threat nor its real scope are clearly perceived. The Vietnamese occupation of Cambodia is in fact only the tip of the iceberg. Behind Hanoi's regional activism, the military presence of the Soviet Union emerges. While Vietnamese diplomats do their best to divide the ASEAN countries, a victory strategy is applied in the field, not only with a view to making Vietnamese domination over the whole of Indochina irreversible, but also in order to root Soviet expansion in Southeast Asia.

However, nothing is irremediably lost as yet for Indonesia if the ASEAN countries and their Western and Chinese allies become aware of four basic facts:

- the reality of Vietnamese war communism,
- the strategic division of labor between Moscow and Hanoi in order to secure control of the region,
- the great complexity of the Cambodian crisis,
- the need to attack the problem at its source and to undermine the Hanoi regime itself.

An Illusory Dialogue

Two major assessment errors explain the fact that some still hope for a compromise solution in Cambodia. On the one hand, the will to reach a negotiated settlement, provided its basic interests are recognized and respected, is often ascribed to socialist Vietnam. On the other hand, there is a tendency to think that Hanoi is tired of giving battle and is looking for a helping hand to get Vietnam out of the current impasse in Cambodia. Now, the truth is entirely different: Vietnam simply wants to gain time in order permanently to impose its domination over the country. (Footnote 2) ("The Vietnamization of Kampuchea: A New Model of Colonialism?" INDOCHINA REPORT, October 1984) That is why the members of ASEAN and the Western states that harbor illusions must rapidly revise their approach on four crucial points.

First, they must stop taking at face value the so-called "will to dialogue" expressed by the Vietnamese minister of foreign affairs, Nguyen Co Thach, at the time of his 1983 and 1984 tours of Southeast Asia. According to some sources close to Hanoi, this will would probably be born of a "sort of consensus between the diverse factions of the Vietnamese leadership, after the Fifth PCV Congress." (Footnote 3) (Carlyle Thayer, "Indochina and ASEAN: The Trend Towards Dialogue," Third Australia Indonesia Seminar, Griffith University, Brisbane, July 1984) In fact, at the time of this same congress, the Le Duan-Le Duc Tho coalition succeeded in nearly completely eliminating the moderates, such as General Vo Nguyen Giap and the former minister of foreign affairs, Nguyen Duy Trinh, who had expressed serious reservations as to the venture conducted in Cambodia. In the pro-Soviet group led by Le Duan, the all-powerful Le Duc Tho brought the support of his own clan, made up of devoted lieutenants, for the most part experts in Cambodian affairs (particularly General Le Duc Anh and the Politburo member Vo Chi Cong). A "hardliner" like Le Duc Tho, responsible for the Khmer file since the birth of the Issarak Front in 1951, (Footnote 4) (During the first Indochina war, the Issarak Front was created, in 1951, at the instigation of the Nam Bo Khang Chien Committee (the Vietminh resistance in the south) in order to unite Khmer resistance fighters of communist allegiance.) may follow the Cambodian crisis as if it were a crucial test for his own career. Under these conditions, it is illusory

to hope to see the Hanoi moderates play a decisive role in the search for a compromise.

Second, they must give up banking on socialist Vietnam's current economic difficulties to rescue that country from the Soviet orbit in exchange for some economic assistance. In August 1984, Shintaro Abe, the Japanese minister of foreign affairs, offered to finance the creation of peace-keeping forces, the organization of free elections in Cambodia, and the reconstruction of all of Indochina. Nguyen Co Thach's reply could not have been clearer: "Vietnam is not a beggar and the withdrawal of Vietnamese troops from Cambodia could not be bought." In reality, this approach ignores the simple fact that the Soviet Union has established a program intended to integrate the Vietnamese economy into the socialist division of labor within Comecon. No Western country is today in a position to compete with Moscow as a backer of socialist Vietnam: The Soviets' annual assistance amounts to more than \$2 billion. Any western aid could only help Hanoi keep its war economy afloat and lighten the Soviet burden in Indochina.

Third, they must give up any hope of a possible struggle for influence between Moscow and Hanoi. The Pen Sovan affair, in December 1982, showed that some disagreements exist. (Footnote 5) (In December 1982, Pen Sovan, the secretary general of the Revolutionary People's Party of Kampuchea, was eliminated from the leadership of the Heng Samrin regime. The Vietnamese communists found him somewhat inclined to prefer the new Soviet patronage to the old Vietnamese guardianship.) However, Moscow and Hanoi are linked by a deep convergence of interests and the war in Cambodia serves the interests of both parties. While the Soviets rely on socialist Vietnam to develop their strategic breakthrough in Southeast Asia and to involve Vietnamized Indochina in an irreversible process of integration into the Soviet bloc, the PCV itself is using the Soviet Union to establish its domination over the peninsula as a whole. In an article published in January 1982 by TAP CHI CONG SAN, the theoretical organ of the PCV, General Hoang Van Thai mentioned, in this connection, "the birth of a new type of regional strategic alliance, an integral part of an international alliance of the member countries of the socialist community, of which the Soviet Union is the central pillar." (Footnote 6) (Hoang Van Thai, "Ve Quang He Hop Tac Dac Biet Giua Ba Dan Tog Dong Duong," TAP CHI CONG DAN, January 1982, p 12) Behind the communist jargon, the message is clear.

Fourth, they must reject the idea that socialist Vietnam might have--and could still--become another Yugoslavia. Popularized by some Western authors, the myth of an "Asian Yugoslavia" has been contradicted by the PCV's steadfast position on Titoism. For decades, Belgrade has been the object of continuous insults on the part of Hanoi, which has never considered Yugoslavia to be an authentic Marxist-Leninist state. Differently from other PC's of the same importance, the PCV has always nourished a very high idea of what its secretary general Le Duan has called "the internationalist mission that history has entrusted to Vietnam." (Footnote 7) (Le Duan, "Doan Ket Va Hop Tac Toan Dien Voi Lien Ke La Nguyen Tac, La Chien Luoc, Va Tinh Cam Cach Mang Cua Churc Ta," Hanoi, Su Thai, 1982) Since its

historic affiliation with the Comintern, Vietnamese communism has never evolved toward a national communism; it has always conserved its original Indochinese and internationalist vocation, and has shown itself to be a particularly active agent of world revolution and, above all, of the Soviet system in expansion.

As can be seen, all this logic rests on the hypothesis that Hanoi might modify its Cambodian policy at the price of certain compensations. But for the Vietnamese leaders, the idea of being victims of bloc politics and rescued from the deadly great power game is unworthy of the high mission that the PCV has always set for itself. That is why all the fine theories worked out in the West on the will to dialogue can only lead the ASEAN countries into error and plunge them into a false atmosphere of security.

The Nature of the Threat

Although cooperation between Moscow and Hanoi has continued to develop since the signing of the November 1978 "Friendship Pact," the nature and scope of this alliance are still poorly perceived. We do not sufficiently realize to what point the strategic division of labor between Moscow and Hanoi, as part of a policy of controlled destabilization of the region by progressive thrusts, constitutes a major peril.

It would be extremely dangerous to consider Hanoi's regional ambitions as pure fantasies. Of course, the Indochinese bloc remains a fragile edifice, and the Vietnamese leaders give proof of a certain restraint in order not to speed up the course of events and overcome for the best the difficulties of "colonial digestion" that they encounter. Nevertheless, faithful to its vocation, Vietnamese communism continues to look beyond the Mekong. (Footnote 8) (Uthit Pasakhom, "Beyond a Soviet-Vietnamese Condominium" The Case of Laos," INDOCHINA REPORT, No. 1, January-March 1985) Some years ago, Le Duan wrote: "Southeast Asia is the center of the world revolutionary tempest and the point of convergence of the world's sharpest contradictions. If the proletarian revolution is crowned with success in this region and if the most populated countries also advance toward communism, as predicted by Lenin, then there is no doubt as to the outcome of the struggle at the world level."

This perspective seems somewhat messianic. However, up to now, the Hanoi leaders have shown themselves to be particularly faithful to this internationalist vision.

Having said this, it would be false--if not unjust--to consider Vietnamese nationalism as the only threat to the region. The true danger comes from the combined force of Hanoi's war communism and Soviet expansionism. In the TAP CHI CONG SAN article already cited, General Hoang Van Thai indeed did not hesitate to say: "The more solid the regional alliance (the Indochinese bloc), the more it will be able to contribute to the great power of the international alliance (the Soviet system). Furthermore, the stronger the international alliance of the socialist community and the three revolutionary movements, the more it will be able to effectively help

the regional alliance retain the initiative, whatever the circumstances." In other words, in spite of appearances, the regional strategy of Vietnamese communism remains fundamentally offensive.

In all probability, this new Soviet bastion will serve as a springboard for future Soviet advances in the region. Fifteen years ago, the United States was still the dominant power in Southeast Asia. But today, the USSR challenges its preeminence and within 10 years, with the rise of communism in the Philippines, it could very well rob it of this choice position. Admiral William Crow, commander-in-chief of the American forces in the Pacific, ended by recognizing, in November 1984, that the Soviets have undertaken "major investments" in Cam Ranh Bay and that the base has become, with Vietnamese permission, "a permanent Soviet installation." (Footnote 9) (On this question, see Bao Quoc, "The Cam Ranh Syndrome: the Threat of Sovietization," ASEAN FORECAST, special supplement, June 1984.) Be that as it may, the continuous reinforcement of the Soviet military presence in Indochina constitutes an important factor in the regional imbalance. Without a counterweight, this threat might prove to be fatal for the free countries of Southeast Asia. And that all the more since Moscow and Hanoi have additional levers at their disposal in their combined destabilization strategy.

Since the end of the 1960s, the PCV has begun to involve not only the communists in Cambodia and Laos but also guerrillas from Thailand, Malaysia and the Philippines. When China stopped supporting communist insurrections in Southeast Asia, Hanoi took over, with the Soviet blessing. One could thus observe the setting up of Thai communist guerrilla bands in Laos, the resurgence of the Association for the Liberation of Northeast Thailand and the revival of activity by the Thai communist movement of Pak Mai. (Footnote 10) (During the 1970s, the Association for the Liberation of Northeast Thailand united Thai radicals and communists who fought for the detachment of the 16 provinces of North and Northeast Thailand. As to Pak Mai or the Green Star Party, it is a question of the new Thai Communist Party, born at the beginning of the 1980s from the split between the pro-Soviet and the pro-Chinese within the Thai communist movement. The Pak Mai today brings together Thai communists, basically of Soviet-Vietnamese allegiance.) Moreover, it is not by simple coincidence that, of late, the New People's Army has been taking vigorous action in the Philippines and Islamic fundamentalists—trained in Iran and Libya—are beginning to appear in Thailand, Malaysia and Indonesia. It is now clear that the Soviet Union has decided to manipulate indirectly the various communist insurrections in the region, and is also playing the national minority card so as to undermine the fragile cohesion of certain ASEAN countries. In this respect, Thailand and the Philippines appear particularly exposed.

In brief, by virtue of its multiple functions, socialist Vietnam is perhaps today strategically more important for Moscow than any other Soviet bastion in the Third World; perhaps its role is even more vital than that of Cuba. On the one hand, Vietnam is both a stopping point on the route to Soviet naval supremacy in Asia and the Pacific and a shield in the system

of encirclement of China. On the other hand, it carries on a double Marxist mission, both as a guardian state for the new socialist order in Southeast Asia and as a legionary state, exporting the revolution beyond Indochina's borders.

It is thus clear that any policy intended to rescue socialist Vietnam from the Soviet bloc, by means of a dialogue with Hanoi, indicates a real ignorance of the nature of Vietnamese war communism and Moscow's foreign policy. To hope that the Soviet Union would choose economic cooperation with ASEAN rather than complicity with Hanoi is very risky. For, there is no doubt, the Kremlin has always been able to distinguish what is essential from what is of secondary importance. The encirclement of China, the elimination of the American presence in Southeast Asia and the destabilization of ASEAN (both as a model of regional integration and of economic development) are by far the priority objectives. Thus, the only alternative henceforth is to resist or to yield to the threat of what it has been agreed to call the "Sovietnamization" of Southeast Asia.

Squaring the Circle

Since the invasion of Cambodia at the end of 1978, some members of ASEAN, together with the United States, China and Japan, have adopted a more or less defensive policy, which aims at denying Hanoi the advantage of a fait accompli. This refusal strategy is strictly limited to the Cambodian situation itself; it in no way attacks the source of the evil, that is to say, Hanoi's war communism, supported by the Soviet Union. Some circles in ASEAN have also tested a more flexible approach, without for all that succeeding in bringing Hanoi to the negotiating table. The Cambodian crisis is thus at a total impasse and international pressures have in no way affected the PCV's will for power. How could it, moreover, be otherwise when the imbalance is such between the Khmer resistance and the Vietnamese occupation forces? As Prince Sihanouk acknowledges: it is "unrealistic to hope to expel the Vietnamese troops from Cambodia." Could what seems to be out of reach on the battlefield be obtained nevertheless through diplomatic channels?

If we confine ourselves to the Cambodian situation itself, there are only four options open to the ASEAN countries and their Western and Chinese friends.

The first option consists of recognizing Vietnamese communist domination over Cambodia as an established fact. The argument commonly advanced to support such an orientation is that the Cambodians prefer the Vietnamese communists to Pol Pot and that capitulation would quite simply put an end to the conflict. This thesis is totally incompatible with the position taken by the ASEAN countries and the majority of the international community. What is more, the argument that Cambodia could choose only between the Vietnamese communists and Pol Pot recalls, in many respects, the remarks of Stalin's defenders who in the past affirmed that the Red Army was the only possible choice for eastern Europe in the face of the Nazi occupation. (Footnote 11) (Stephen J. Morris, "Vietnam's Vietnam," THE ATLANTIC

MONTHLY, January 1985, p 81) As for ASEAN's capitulation, it would not mean the end of hostilities. The war will continue at least as long as Moscow and Beijing consider it useful to support their respective allies in Indochina. Let us add that if ASEAN accepted the military conquest of Cambodia--still uncompleted--Hanoi's leaders would consider they had a free hand in the face of a Thailand delivered to its own fate.

The second option consists of promoting a policy of dialogue with Hanoi, suggested by some circles in ASEAN and tested by the labor government in Australia, in the hope of bringing the PCV leaders to reason. Concretely, what is involved is proposing selective economic assistance so as to help Vietnam escape from Soviet ascendancy. Until now, this approach has proved to be nonproductive, if not counterproductive. Indeed, it has offered Hanoi an unexpected margin for maneuver, which has enabled it to break its diplomatic isolation and keep its war economy afloat, while weakening ASEAN.

The third option consists of continuing the current policy, that is to say, on the one hand, granting broad diplomatic support, but limited assistance, to Son Sann's National Front for the Liberation of the Khmer People and the Sihanouk National Army; and, on the other, showing disapproval toward their Khmer Rouge allies. For ASEAN, however, this strategy has major weaknesses at the military level: it has been unable to straighten out the imbalance of forces in the field, or even push the Vietnamese onto the defensive. What is more, it lets the Khmer Rouge dominate the Khmer resistance coalition. Finally, this policy indirectly reinforces Hanoi's propaganda, whereby the Cambodians would be able to choose only between the Vietnamese communists and the Khmer Rouge.

The fourth option consists of increasing the military assistance granted to the Khmer nationalist resistance. Up to now, the forces of Son Sann and Prince Sihanouk have received only modest aid from ASEAN and the Western countries (in comparison with what the Vietnamese have obtained and are continuing to obtain from the Soviets, and with the subsidies granted to the Khmer Rouge by China). If large quantities of armaments--especially antitank weapons--were given to the anticommunist Khmer resistance, it might then expand its numbers and its fighting spirit. Balance would be restored between the nationalist forces and the Khmer Rouge. However, we may ask ourselves about the possibility, for ASEAN, of thus considerably expanding its commitment. For its part, the United States has decided to grant \$5 million in aid to the Khmer nationalists, the exact nature of which--humanitarian or otherwise--still remains to be determined. Although they unequivocally support the Khmer Rouge, the Chinese have indicated unofficially that they would like to see the United States offer increased military aid to the noncommunist Khmer forces. In that case, Khmer resistance as a whole might grow stronger and inflict much more serious losses on the Vietnamese occupation troops. Would it, for all that, be in a position to expel Hanoi's army from Cambodia?

In fact, the first two options do not differ basically from each other, for the policy of dialogue runs the risk of being interpreted by Hanoi's

leaders as a policy of appeasement, opening the way to recognition, in the long run, of a fait accompli. Between the other two hypotheses, there exists only a difference of degree. Indeed, increasing military assistance to the Khmer nationalist resistance would not fundamentally change the relationship of the forces in the field, while the escalation of violence would transform Cambodia into another killing field. Finally, the Cambodian crisis is well and truly squaring the circle: the first two options are unacceptable, and the last two inadequate.

From the Periphery to the Center

What is then the solution? It is found at the source, not in Cambodia, but in Vietnam itself. Since Indochina has become, by reason of Hanoi's war communism, an indivisible strategic unit, it is difficult to separate the Cambodian question from the Indochinese equation as a whole. Vietnamese communism functions only through a bellicose dialectic, thanks to the mobilization of its forces toward the periphery, in Cambodia, Laos and the Sino-Vietnamese borders; in the center it is undermined by deep contradictions and the constant vague secessionist desires of the south of the country. That is why a new approach should link the war in Cambodia to the latent crisis in Vietnam, by transferring the center of gravity of the dispute from the periphery to the center. The dissident forces of opposition and resistance within Vietnam itself must be mobilized, with a view to organizing a general uprising like that of the Prague Spring. Just as the resistance in Cambodia concentrates the PCV's efforts outside Vietnam, resistance in Vietnam itself will divert Hanoi from its foreign adventures. Combined with armed resistance in Cambodia and Laos, current diplomatic pressures and the economic blockade, this new dialectic, complete and multidimensional, should be pushed as far as the internal rupture of Hanoi's war machine.

This strategy of reversibility will undoubtedly compel Hanoi's leaders to negotiate seriously, and will make it possible to solve the problem. Indeed, the fall of the communist regime in Vietnam--following upon a general uprising launched from the South--would not only settle the question of the Vietnamese occupation in Cambodia and Laos, but also that of Soviet military reinforcement in Indochina. Four series of arguments may be advanced in favor of this analysis.

1) Up to now, history has not known any significant example of the overthrow of a communist regime and the structures set up in Vietnam seem too strong to be destabilized. However, it can be said that without Soviet intervention--direct or indirect--the communist regimes of Hungary, Czechoslovakia and very probably Poland would have been swept away by the scale of the popular upheavals. Foreign observers can only with difficulty perceive the deep forces currently at work within socialist Vietnam; they see only the apparent solidity of the regime. Nevertheless, a general crisis is brewing, stirred up by the vices of the gerontocracy, the factional struggles and the successive purges that have resulted in a loss of confidence inside the party. And above all, the majority of the Vietnamese people--both in the north and the south--reject the current

regime, Soviet ascendancy, the war in Cambodia and the hostilities with China.

2) According to widespread opinion, it is easy to light a spark, but much more difficult to put out a fire. Would the destabilization of socialist Vietnam lead to a major crisis, a new Vietnam war, which would endanger the peace and security of Southeast Asia? Certainly not. On the one hand, destabilization will arrive like a sort of implosion of the communist regime itself, after the fashion of what took place in Hungary, Czechoslovakia or Poland. On the other hand, the international significance of the crisis will depend basically on the strategic framework defined by a tacit understanding between the ASEAN countries, Japan, the United States and China—which would make it possible to keep this crisis within acceptable limits.

3) What would be the attitude of the Soviet Union in that case? Would it intervene directly in order to save the communist regime as it did in Eastern Europe? That is hardly probable. Admittedly, Vietnam is today a member of the socialist community and linked to Moscow by a treaty of alliance. However, it is not covered by the Yalta agreements, which placed the states of the east European glacis under the guardianship of the USSR since the end of the Second World War. Vietnam finds itself outside the first circle of satellite states, adjoining Soviet territory, for which the Red Army established a mode of direct intervention since the Budapest invasion in 1956. Thus, at the time of the "Chinese lesson" of the spring of 1979, (Footnote 12) (To show its disapproval in the face of the invasion of Cambodia by the Vietnamese, Beijing sent 600,000 soldiers to Vietnam on 17 February 1979. After this display of force, the Chinese troops were withdrawn from the country the following month.) the Soviet Union did not dare to intervene directly in the conflict; it merely condemned China verbally, organized naval maneuvers in the China Sea and provided weapons to Vietnam. In addition, obsessed by the latent troubles in Eastern Europe since the Polish crisis, already overburdened with foreign commitments—in Central America, Africa and the Middle East—and caught in the Afghan trap, the Kremlin can only show prudence in Southeast Asia.

4) If Moscow hardly stirs, what would be China's position? Wouldn't it be tempted to fill the void thus created and promote in Vietnam a pro-Chinese communist regime in the place of the current pro-Soviet one? In this field, everything will depend on the arrangements set up by the powers concerned. For the moment, China no longer seems to represent a source of insecurity for the region. On the contrary, it seems instead to be favorable to the maintenance of the status quo, since it has given up helping local communist movements. It is, in fact, anxious to preserve a peaceful environment so as to devote itself more serenely to its vast Four Modernizations program. Furthermore, China wants to work out a strategic consensus with the United States, Japan and the ASEAN countries, so as to set aside the Soviet threat in the Asia-Pacific zone.

Finally, it does seem that a "strategy of reversibility" may be developed in Indochina. Its success depends on the resolution of the ASEAN countries,

supported by the United States, China and Japan. In order to succeed, the decision-makers in ASEAN and the friendly states must, once and for all, get rid of three particularly deep-rooted prejudices. First, the thesis of the irreversibility of communist regimes should be rejected. Second, we must stop believing that containment is the only possible counterattack in the face of Soviet expansion. For 20 years, the American power has continued to move back nearly everywhere in the Third World: in Southeast Asia, Africa, the Middle East and Central America. The great danger of this withdrawal is in seeing the United States become focussed on its "backyard" while the global dispute continues to develop on Asia's front lines. Henceforth, containment will not be enough; it is necessary to work out a new version for the turning back. Third, it is essential to denounce the myth that communism embodies Vietnamese nationalism. Such an approach is no longer pertinent. The Vietnamese people have had to pay very dearly for their national liberation struggle. Since 1975, they have understood that their leaders want a permanent war communism, whose finality has no longer anything to do with the aspirations of the Vietnamese nation.

Never have conditions, both internal and external, been as favorable as today for a change of regime in Hanoi, for Vietnam has become, in spite of all appearances, the weakest link in the Soviet system in the world. If the ASEAN countries and their allies really have the will for this, Vietnam might be, in the near future, the first historic example of the overthrow of a communist regime. And that, by the combined power of popular action and external pressures.

9434/9190
CSO: 4219/41

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

NHAN DAN CARRIES RESOLUTION ON YOUTH ROLE

BK241409 Hanoi NHAN DAN in Vietnamese 2 Jun 86 pp 3, 4

[Text] On 19 May, the Council of Ministers issued a resolution on the need to develop the right to collective mastery and the assault role of youths in national construction and defense. The resolution says:

Youths account for 55 percent of the workforce in agriculture; 55 percent of the workforce in industry, small industry, and handicrafts; 80 percent of the troops in the armed forces; and 60 percent of the contingent of scientific and technical cadres. As many as 1.4 million youths reach working age each year. This constitutes a valuable asset for our revolution and a great potential for our country.

With the aim of developing the right to collective mastery and the assault role of youths in national construction and defense and turning them into a generation that can continue faithfully and outstandingly the cause of our party and nation, the Council of Ministers has decided the policies, measures, and systems for the implementation of the party Central Committee Political Bureau's resolution No 26 on youth work.

I. Policies and measures to develop the right to collective mastery and the assault role of youths

A. On the production, distribution, and circulation front

1. To engage in labor to build the country, earn legitimate income, and make themselves new socialist men is the earnest aspiration and lofty obligation of youths. Based on this spirit and on their conditions in each locality and each period of time, youths should engage enthusiastically in labor with the sense: "A youth must go anywhere the party asks him to go and must undertake all difficult tasks." They must take the lead in the socialist emulation movement to fulfill or overfulfill the state plan as well as in the struggle to implement all economic and technical norms, regulations, and rules of their enterprises and organs. They must also struggle against laziness, carelessness, slopiness, corruption, and waste and other negative phenomena in productive labor and daily work.

2. While formulating socioeconomic plans, the State Planning Commission and other sectors subordinate to the Council of Ministers and people's committees at various levels as well as all enterprises and basic units must pay adequate attention to the workforce among youths so as to create favorable conditions for the development of their potential and capabilities and gradual settlement of the employment problem among those who have reached working age.

B. On the national security and defense front

1. Defending the country is the responsibility of the entire people, especially the younger generation. Youths must play a self-imposed and exemplary role in participating in military services. Before joining the armed forces, apart from performing their productive labor duties or daily work, youths must actively undergo military training at their organs and enterprises or in their localities. At the same time, they must participate enthusiastically in the movement "for the sake of the advanced posts" or the movement "for solidarity among the three forces" aimed at supporting the frontline and firmly maintaining social security and order in the rear area. After joining the armed forces, youths must undergo intensive training to raise their fighting spirit, stand ready for combat, improve combat ability, and ensure victories.

2. All competent organs of the Council of Ministers and people's councils at various levels should coordinate with the Ho Chi Minh Communist Youth Unions in educating youths so that they can identify clearly the enemy's immediate and long-term schemes and their duty and responsibility in the struggle for national defense.

C. On the social and cultural front, (education, science and technology, culture, public health, sports and physical education)

1. Studying is one of the interests and obligations of youths. To be able to assume responsibility for the tasks assigned by society, youths must study to constantly improve their political, educational, scientific, technical, and managerial standards. They must also have instilled in them revolutionary ethics, socialist conducts, and a healthy lifestyle.

2. The state and society are duty-bound to create favorable conditions for youths to improve their knowledge in all aspects and constantly develop their skills. While formulating plans for social and cultural development, the State Planning Commission and other sectors of the Council of Ministers should pay adequate attention to the social and cultural interests of youths. The Ministry of Education and Ministry of Higher Education and Vocational Education must strive to improve the quality of various schools and guide them in providing vocational orientations and implementing integration between schools and localities and production establishments in order to bring about practical results. The state Science and Technology Commission and other scientific research organs and sectors must coordinate with the Ho Chi Minh Communist Youth Union in satisfactorily launching and directing the movement among youths to apply advanced sciences and technology and invent new things. The Ministry of Culture and various arts and letters associations must coordinate

with the Ho Chi Minh Communist Youth Union in providing guidance for youths to carry out cultural and artistic activities. They must also pay attention to discovering, training, and fostering talented youths. It is necessary to arrange for youths to visit various places of scenic beauty and historical relics to inspire their patriotism and sense of study, as well as to promote the heroic struggling traditions of the nation. If the tourism organization cannot satisfy the great need of youths to travel to certain places, the Ho Chi Minh Communist Youth Union can arrange for them to do so under the assistance and management of various local (culture and travel) agencies.

The Ministry of Public Health and the Physical Education and Sports General Department must coordinate with the Ho Chi Minh Communist Youth Unions in satisfactorily directing the movement for health care, physical fitness, and professional ability among youths.

3. Under the motto "the state and the people work together," the people's committees at all levels must coordinate with the Ho Chi Minh Communist Youth Unions and other mass organizations in formulating plans to build material bases for the education and recreation of youths and teenagers (such as schools, libraries, cultural houses, traditional houses, stadiums, and clubs) with state funds and the contributions of the local youths and people.

D. In the immediate future, it is necessary to mobilize youths to carry out the following major tasks:

Engage in agricultural production in their localities or participate in building new economic zones (in the central highlands, the Mekong River Delta, the eastern Nam Bo region, and the northern mountainous region) and in opening up virgin land and reclaiming coastal land; apply advanced science and technology to the cultivation of crops, raising of animals, production of fertilizer, construction of water conservancy networks, protection of vegetation and perfecting socialist production relations in agriculture.

Take the lead in the struggle to oppose bureaucratism and subsidization, change the mechanism of economic management and completely switch to socialist economic accounting and business, rearrange and reorganize production, and streamline the management machinery and reduce staff personnel; and also in the movement to develop technical innovations; establish and fulfill progressive norms; ensure high productivity, quality and efficiency; practice thrift; and struggle against waste.

Contribute actively to the transformation of private traders, management of the market, stabilization of prices, building of model retail counters and stores, and shaping of a contingent of sale personnel who are truly faithful to the people; and resolutely struggle against all manifestations of negativism in the distribution and circulation of goods.

Take the lead in joining the armed forces and paramilitary forces to defend the fatherland and participate in the struggle to shape a new culture and a simple, civilized, happy, and healthy lifestyle and oppose all corrupted customs and social vices.

II. Systems to ensure the right to collective mastery and the assault role of youths

- 1. The administrations at all levels must formulate plans for training and fostering young cadres of good quality and ability and promoting them to various positions in the organs of leadership at all levels, especially the grass-roots level.**
- 2. Each year, at the request of the Ho Chi Minh Communist Youth Union Central Committee, the State Planning Commission must study the possibility of and determine the guidelines for fulfilling reasonable requirements concerning facilities, materials, and expenses for youth union activities and submit them to the Council of Ministers for consideration and approval.**
- 3. With the coordination of the Ho Chi Minh Communist Youth Union Central Committee, the Ministry of Education, the Ministry of Higher Education and Vocational Education, and the vocational training general department must guide all schools and youth union organizations in assigning cadres to be in charge of youth union work and wholly responsible for teenager until organizations in various schools.**
- 4. The Ho Chi Minh Communist Youth Unions must play an active role or coordinate with various professional organs at an equivalent level of the local administration in arranging for youths to participate in suitable economic and social activities such as: youth projects, assault youth units, machinery or vehicle teams, youth machinery teams, youth retail counters or stores, youth inspection teams, youth creativity exhibitions, professional drills, and workmanship competitions. These forms of activity must embrace the organizational and managerial principles of the state and be in line with state laws.**
- 5. In formulating policies and systems related to the obligations and interests of youths, the responsible organs should consult with the Ho Chi Minh Communist Youth Union Central Committee before submitting them to the Council of Ministers for approval.**

In solving problems related to the obligations and interests of youths, the heads of the organs or units concerned should consult with the youth unions at an equivalent level before reaching a decision.

All organizations related to the obligations and interests of youths--such as student enrollment councils and military service councils--should establish a work system that makes them understand thoroughly the potential abilities and legitimate aspirations of youths. When necessary, they should invite representatives of youth unions at an equivalent level to participate in discussing and solving problems related to youths.

- 6. The Social Science Commission (and other scientific institutes concerned) must cooperate with the Ho Chi Minh Communist Youth Union Central Committee in scrutinizing issues related to youths and teenagers.**

/8918

CSO: 4209/625

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

BRIEFS

PROVINCIAL OFFICIALS' TRIAL—Hanoi, 21 June (AFP)—Two Vietnamese Communist Party provincial officials are to go on trial for alleged corruption and incompetence, the party newspaper NHAN DAN reported here Saturday [21 June]. The prosecutions are the first against senior officials reported since a nationwide campaign against corruption and incompetence began in March. Previously action had been taken only against local officials. NHAN DAN said the two provincial committee officials had been suspended from duty and would be prosecuted for management mistakes. One is also accused of breach of trust. One of the officials is vice-chairman of the party committee in the southern province of Thanh Hoa, the newspaper said. [Text] [Hong Kong AFP in English 1450 GMT 21 Jun 86 BK] /12232

CSO: 4200/1150

AGRICULTURE

VIETNAM

RAINFALL REPORTED IN NORTHERN DELTA, MIDLANDS

BK200930 Hanoi Domestic Service in Vietnamese 2300 GMT 19 Jun 86

[Text] There has been heavy rainfall over the past 2 days in the northern delta and midlands, mostly in the early hours of 19 June and mainly in the provinces of Ha Bac, Hai Hung, and Ha Son Binh, and Hanoi municipality. Some areas of 5th-month spring rice and 10th-month rice seedlings were flooded.

As of 0700 on 19 June, the rainfall figure were as follows: 100-150mm in Ha Bac, Hai Hung, and Ha Son Binh Provinces, and Hanoi; 50-100mm in Ha Nam Ninh Province; 50mm in Vinh Phu, Thai Binh, and Quang Ninh Provinces, and Haiphong municipality; 280mm in Dap Cau, Ha Bac Province; 237mm in Hai Hung Province; 269mm in Van Quan District in Hanoi; 290mm in Lang and Thanh Tri Districts; 285mm in Dong Anh District; 230mm in Ha Dong District; 350mm in the area around the industrial farmland irrigation company; and 270mm in Thuong Tin District. Rainfall in Thanh Hoa, Nghe Tinh, and Binh Tri Thien Provinces was insignificant.

Initial reports from localities show that some 18,500 hectares of 5th-month spring rice and 4,500 hectares of 10th-month rice have been flooded, mainly in Ha Bac, Hai Hung, Ha Son Binh, and Ha Nam Ninh Provinces.

The Ministry of Water Conservancy has directed the personnel in charge of Nhat Tu, Luong co, Diep Son, Tan Binh, and La Khe self-regulating sluices to drain water for the Ha Son Binh and Ha Nam Ninh Provinces, and Hanoi municipality. Other localities have also used electric pumps to drain water out of flooded areas, and have simultaneously harvested rice, limiting the damage caused by the heavy rainfall.

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AGRICULTURE

VIETNAM

PERIODIC REVIEW OF AGRICULTURAL PRODUCTION REPORTED

OW230049 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Jun 86

[Text] Following are some noteworthy facts about agricultural production over the past 10 days.

The northern provinces have been devoting their workforces to rapidly and neatly harvesting the winter-spring rice. According to the General Statistics Department, by 15 June, the northern provinces and municipalities had reaped over 600,000 hectares of rice, or more than 60 percent of the cultivated area, a 135 percent increase over the corresponding period last year.

Hai Hung, Vinh Phu, Ha Nam Ninh, and Thai Binh are fast reaping provinces. Binh Tri Thien, Nghe Tinh, and Thanh Hoa provinces have basically finished harvesting the winter-spring rice. Compared with the same period last year, the reaping pace in all localities is faster. However, it is not fast enough in view of the fast ripening rice. No accurate figures on rice yields are available yet, but in general, fifth-month spring rice yields this year in the already harvested areas in the northern delta and midland provinces are below the plan norms.

The southern provinces are focusing their efforts on rapidly cultivating the summer-fall rice. So far, over 750,000 hectares have been cultivated, roughly the same hectareage cultivated in the same period last year. The growing period for the summer-fall rice will soon draw to a close. Two fast-cultivating provinces are Long An, with 12 percent in excess of the plan norm, and Dong Thap, with 10 percent. The provinces of Cau Long, An Giang, and Nghia Binh have cultivated 85-95 percent of the planned area. Ben Tre, Minh Hai, and Ho Chi Minh City still have large uncultivated areas.

All in all, the summer-fall rice is developing well. Rice pests have been noticed in some areas. Insect control is being intensively carried out.

Along with reaping the winter-spring rice and growing the summer-fall rice, localities are making preparations for the 10th-month rice crop. In the northern provinces, nearly 200,000 hectares have been plowed for the 10-month crop, a 20,000-hectare increase over the same period last year, and nearly 70,000 hectares of rice seeds have been sown, or 50 percent of the planned norm.

Many areas have cultivated extra early rice so that the soil will be available early for the winter crop. However, only over 20,000 hectares have been cultivated so far.

After basically completing cultivation of the summer-fall rice, many southern provinces have switched their major efforts to cultivating the 10th-month rice. Over 240,000 hectares of the 10th-month rice have been cultivated. Floating rice seeds have been sown in such Mekong Delta provinces as An Giang, Dong Thap, Chu Long, and Long An, in anticipation of the coming floods.

Regarding the cultivation of summer-fall vegetables, secondary, and industrial crops, the General Statistics Department says that all the provinces and municipalities have cultivated over 130,000 hectares of secondary crops, or 98 percent of the area cultivated in the same period last year. The northern provinces' secondary crop cultivating pace shows a 8.5-percent increase over the corresponding period last year. The southern provinces' cultivated area shows a decrease of over 30,000 hectares compared with the same period last year.

The industrial crop area was 91 percent of the cultivated area in the same period last year--with soybeans and jute areas showing an increase. The southern provinces have plans for larger areas of the summer-fall secondary crops, but so far, the cultivated area remains small. Therefore, all southern provinces and municipalities should devote their workforces to accelerating cultivation and should strive to achieve the planned cultivation norm.

A most noteworthy fact is last week's heavy, but uneven, rain. Heavy rains fell on Hai Hung, Ha Bac, Ha Son Binh, and part of Ha Nam Ninh provinces. Hanoi municipality, with a mean 100 mm rainfall, had nearly 20,000 hectares of waterlogged rice and 4,000 hectares of waterlogged rice seedlings. The localities with waterlogged rice are focusing efforts on rapidly harvesting the winter-spring rice, while making checks on the waterlogged rice seedling area in order to devise additional rice seed sowing plans to make up for the lost rice seedlings.

Reports by the General Department of Meteorology and Hydrology say there will be rain in the last few days of next week, but the remaining days are favorable for production. Therefore, the Agriculture Ministry says, northern localities should devote their workforces to rapidly and neatly reaping the winter-spring rice, with attention paid to selecting sufficient rice seeds for the next crop. Careful checks must be made on rice seedlings. After completing seed sowing for the 10th-month rice crop, they must make preparations to sow reserved seeds.

Excess water must be drained from the waterlogged areas to prepare the soil for the 10th-month crop. The early 10th-month rice.

The southern provinces should rapidly complete the cultivation of the summer-fall rice. Wherever conditions permit, cultivation must be carried out in larger areas than last year. Wherever the summer-fall rice cultivation has been completed, 10th-month rice cultivation must start immediately.

Although much time is left for the cultivation of the 10th-month rice, fairly large areas for that crop in the south remain uncultivated. Therefore, all localities should devote their means and workforces to growing that crop rapidly so that all the planned areas will be cultivated.

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17 July 1986

AGRICULTURE

VIETNAM

BRIEFS

HAI HUNG SPRING RICE--In only a week, some 65,000 hectares of 5th-month spring rice--57 percent of the planted area--have been harvested. From 80 to 90 percent of the cultivated area in Chi Linh, Kim Mon, Tu Loc, and Phu Tien districts has been harvested, while in My Van and Chau Giang districts only 30-40 percent of the planted area has been harvested because the rice was planted late and is ripening slowly. Due to heavy rain late in the crop season and some damage by insects, the rice yield this season differs from districts to districts. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 20 Jun 86 BK] /8918

GRAIN PROCUREMENT IN DONG THAP--The grain sector of Dong Thap Province this year has built more storerooms and mobilized more transportation facilities to procure more than 100,000 metric tons of 10th-month and winter-spring rice for delivery to the central state granaries. The highest daily amount of rice procured in April and May reached 2,500 metric tons. Some 107,000 tons of rice have been procured thus far, including 5,840 tons of 10th-month rice 29,000 tons of taxation rice, totalling some 82 percent of the 1986 grain procurement plan norm. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 21 Jun 86 BK] /8918

NORTHERN SPRING RICE--Peasants in northern Vietnam have harvested 600,000 hectares of spring rice, accounting for 60 percent of the total rice acreage. Binh Tri Thien Province in Central Vietnam is the first to have completed the harvesting preparations of soil and rice seedlings for the coming autumn rice crop are underway in northern provinces. [Text] [Hanoi International Service in English 1000 GMT 21 Jun 86 BK] /8918

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